

ISM Certified Professional in Supply Management [CPSM] Bridge Exam Specification

[Web Version 2006]



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CPSM Acknowledgements

PURPOSE:

The purpose of the Exam Specification is to provide information about the format and content of the Certified Professional in Supply Management (CPSM) exams. This information will allow individuals to prepare themselves, or to prepare others, to take the examinations. Information regarding the program is continually updated on the ISM Web site at www.ism.ws

BACKGROUND INFORMATION:

The mission of the Institute for Supply Management™ (ISM) is to lead supply management. With that mission in mind, ISM undertook an enormous task in developing a new qualification — the Certified Professional in Supply Management (CPSM). This new qualification will be available in 2008.

ISM's Certification Committee recommended and was supported by findings from the research study conducted with Knapp & Associates International Inc. to offer a new qualification. Foremost among the study's conclusions was that pronounced changes in the field demand that the new qualification reflect higher skill levels across the entire spectrum of supply management. It needs to address the realities of supply management, as well as workplace complexities including globalization, greater use of technology and expanded competencies that supply management professionals employ to drive value in their organizations. The new qualification meets these criteria and is slated to be the profession's most rigorous qualification, representing the highest degree of professional competencies.

In developing this Examination Specification, ISM utilized a technique called Job Analysis at the Speed of Reality. This allowed ISM to draw upon the knowledge and expertise of practitioners from various industries with responsibilities across the components of supply management. These subject matter experts (SMEs) kept in mind ISM's definition of supply management, the defined scope of the position, and the components of supply management when determining the knowledge, skills and abilities needed for this position.

ISM's definition of supply management is "the identification, acquisition, access, positioning, management of resources and related capabilities the organization needs or potentially needs in the attainment of its strategic objectives."

The supply management professionals targeted are those individuals who provide leadership by aligning resources to define and satisfy diverse internal and external customer needs through the acquisition and ongoing management of materials and services.

The SMEs also ensured that the components defined by ISM to be integral to supply management were included in the specifications.

- Disposition/Investment Recovery
- Distribution
- Inventory Control
- Logistics
- Materials Management
- Packaging
- Product/Service Development
- Procurement/Purchasing
- Quality
- Receiving
- Strategic Sourcing
- Transportation/Traffic/Shipping
- Warehousing
- Outsourcing Issues
- Production Management – Manufacturing Supervision

The subject matter experts represented the following industries:

- Accommodation and Food Services
- Administrative Support; Waste Management and Remediation Services
- Agriculture, Forestry and Fishing
- Arts, Entertainment and Recreation
- Construction

- Educational Services
- Finance and Insurance
- Healthcare and Social Assistance
- Information
- Management of Companies and Enterprises
- Manufacturing
- Mining
- Other Services (except Public Administration)
- Professional, Scientific and Technical Services
- Public Administration
- Real Estate and Rental and Leasing
- Retail Trade
- Transportation and Warehousing
- Utilities
- Wholesale Trade

CPSM INFORMATION:

The CPSM will require the passing of three (3) examinations.

- Exam 1: Foundation of Supply Management
 - o 165 Questions (150 scored) in 2 hours and 45 minutes — Domestic
- Exam 2: Effective Supply Management Performance
 - o 165 Questions (150 scored) in 2 hours and 45 minutes — Domestic
- Exam 3: Leadership in Supply Management
 - o 180 Questions (165 scored) in 3 hours — Domestic

BRIDGE EXAM INFORMATION:

The Bridge Exam will require the passing of one (1) comprehensive exam encompassing contemporary content not currently tested on the C.P.M. Exam. This Bridge Exam will be available in 2008 through 2014.

Bridge Exam: 180 questions (all scored) in 3 hours— Domestic

The following bridge specification is an excerpt from the full CPSM Exam Specification. Those tasks along with their corresponding knowledge, skills and capabilities comprise the content that will be tested.

CPSM PROGRAM REQUIREMENTS:

In order to be eligible for the CPSM, candidates are required to pass three (3) examinations and to document three years of full-time, professional (nonclerical, nonsupport) supply management experience and a four-year degree from a regionally accredited institution. ISM membership is not a requirement for this qualification. If you are a Certified Purchasing Manager (C.P.M.) in good standing and have a four-year degree from a regionally accredited institution, you may be eligible to take the bridge exam of the CPSM.

ISM strives to keep the exam development process separate from the preparation to take exams. Because ISM has maintained this separation, ISM was awarded accreditation by the American National Standards Institute (ANSI) based upon ISO/IEC 17024 standard. ISM was one of three organizations to initially receive this designation.

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ISM CPSM Bridge Exam Specifications

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The single Bridge Exam consists of content taken from the three (3) CPSM exams. Tasks, statements, knowledge, skills, and abilities have not been renumbered.

1-A. Contracting and Negotiation

1-A-1

Prepare solicitations for competitive bids, quotations and proposals with pertinent specifications, terms and conditions.

Knowledge of:

- 2) Types of solicitations/bids
 - C) Electronic solicitations (RFx)
 - J) Pricing models/market baskets
 - K) Lotting strategies (online bidding)
- 7) Bonds and other types of surety
 - E) Letters of credit

1-A-2

Prepare for and develop strategies and tactics for negotiations, including definition of roles and responsibilities of team members.

Knowledge of:

- E) Analysis of seller's and purchaser's positions
- 10.0 Buyer's financial condition

1-A-4

Manage the preparation and/or issuance of contracts/purchase orders/agreements.

Knowledge of:

- 2) Types of obligation documents
 - 3.0 Electronic
 - 4.0 Statute of frauds
- 5) Contract/agreement types
 - F) Service agreements
 - 1.0 Master service agreements
 - 2.0 Professional service agreements
 - 3.0 Maintenance agreements
 - 4.0 Performance-based agreements

- G) Licensing agreements

- 1.0 Software
- 2.0 General
- 3.0 Technology

- 7) Considerations in preparing obligation documents
 - C) Consideration of domestic and international laws (e.g., Convention for the International Sale of Goods (CISG), UCC, contract law)
 - G) Insurance and indemnification
 - I) Customer confidentiality (e.g., Gramm-Leach-Bliley Act (GLBA))
 - L) Security issues (e.g., Homeland Security)
 - N) Source code escrow accounts
 - R) Waiver of consequential damages
 - V) Estoppel
 - W) Social responsibility issues
 - X) State of domain/Jurisdiction
 - Z) Contractor flowdowns

1-B. Cost-Finance

1-B-1

Prepare and/or administer a supply management department budget.

Knowledge of:

- 1) Budgeting's relationship to the strategic and operational plans

1-B-2

Develop a cost management program strategies for purchases.

Knowledge of:

- 1) Cost savings
 - A) Cost avoidance/containment
 - B) Cost reduction
- 4) Cost modeling

- 5) Standard cost setting
- 6) Product cost roll-up
- 7) Margins
- 8) Contribution to profit
- 9) Cost of quality
- 10) Cost of inventory

1-B-3

Identify savings potential and opportunities and strategies for specific categories through spend analysis.

Knowledge of:

- 1) Sources of spend data (i.e., P-card, purchasing records, business warehouse, etc.)
- 2) Data-mining tools
- 3) Cost baseline
 - A) Forecasting future utilization and spend
 - B) Cost savings vs. cost avoidance
 - C) Budget reduction
 - D) Current/historical, then determine future budget forecasting
- 4) Awareness of implementation process
- 5) Segmentation/Categorization of spend

1-B-4

Perform cost/benefit analyses on acquisitions.

Knowledge of:

- 1) Definition of total cost of ownership
 - A) Unit total cost
 - B) Life-cycle cost
 - C) Landed cost
 - D) Total cost of performance for services
- 5) Should cost
- 6) Target cost
- 10) Financial analysis
 - A) Return on investment

- B) Return on assets employed
- C) Return on total assets
- D) Margin analysis
- E) Profitability
- F) Cash flow
- G) Balance sheet
- H) Profit and loss

- 11) Lease/buy analysis

- C) Legal/accounting considerations

3.0 Sarbanes-Oxley (off-balance-sheet transactions, etc.)

1-B-5

Develop financing and leveraging strategies for purchases.

Knowledge of:

- 7) Bond & currency markets

1-C. International

1-C-1

Identify and assess international markets to source goods and services.

Knowledge of:

- 1) Cultural awareness
- 2) Issues in global business
 - A) Organizational global strategy
 - B) Global macro- and microeconomic concepts
 - C) Organization structure and dynamics
 - D) Global marketing
 - E) Country-specific accounting standards and practices
 - F) Human resource management
 - 1.0 Labor skills
 - 2.0 Labor practices
 - 3.0 Human rights

4.0 Cultural differences

- G) Corporate governance issues
- H) Legal implications (e.g., contracting)
- I) Intellectual property
- J) Brand management
- 3) Infrastructure
 - A) Technology
 - B) Transportation
 - C) Governmental stability
- 4) Risk assessment
- 5) Cost-benefit and opportunity analysis

1-C-2

Develop international sources of materials and services.

Knowledge of:

- 1) Research and benchmarking of potential global suppliers
- 2) Interpersonal skills when working with other cultures
- 3) Cultural awareness
- 4) Financial issues
 - A) Landed cost analysis
 - B) Exchange rates
 - C) Payment mechanisms
 - D) Taxes
 - E) Fees
 - F) Tariffs
 - G) Duty drawback
- 5) Development of a business case/plan
 - A) Supplier relationship model
 - B) In-country partners
- 6) Contingency plans and exit strategies
- 7) Country-specific governmental regulations (e.g., customs, import/export)

- 8) Brokers/Import merchants
- 9) Trade networks/Trading companies
- 10) Logistics providers

1-C-3

Develop and maintain documentation regarding cross-border transactions.

Knowledge of:

- 1) Federal regulations pertaining to restricted parties and countries
- 2) Customs requirements
- 3) Broker arrangements

1-D. Social Responsibility

1-D-1

Develop and act upon a code of business conduct for the supply management function and external suppliers.

Knowledge of:

- 1) ISM Principles and Standards of Ethical Supply Management Conduct
- 2) ISM Principles of Social Responsibility
 - A) Community
 - B) Diversity
 - C) Environment
 - D) Ethics
 - E) Financial responsibility
 - F) Human rights
 - G) Safety
- 3) Organizational policies
- 4) Industry codes of conduct
- 5) International issues
 - A) United Nations' *The Nine Principles of the Global Compact*
- 6) Communication and training to key stakeholders

- 7) Laws governing issues in ethics
 - A) Libel
 - B) Slander
 - C) Disparagement
 - D) Bribery

- 8) Customer-driven requirements

1-D-2

Establish and monitor environmentally responsible and compliant programs throughout the supply chain and life-cycle.

Knowledge of:

- 1) Environmental laws/regulations
 - A) At source
 - B) In transit
 - C) At destination
- 2) Risk transfer
 - A) Contractual
 - B) Insurance
 - C) Legal
- 3) Ethical issues
- 4) Audit
 - A) Internal
 - B) Supply chain
 - C) Reporting
- 5) Organization values and policies
- 6) ISM Principles of Social Responsibility and Audit
- 7) Buy-recycled programs
- 8) Minimization of waste
 - A) Reduce
 - B) Reuse
 - C) Recycle

- 9) End of life-cycle
 - A) Disposal options
 - B) Sell to another organization

1-D-3

Implement, monitor and promote organizational and supply chain safety policies and procedures.

Knowledge of:

- 1) Laws and regulations
 - A) Applicable laws (federal, state, local, international)
 - B) Personal liability
 - C) Organizational liability
 - D) Department of Transportation or other country's equivalent
 - E) Department of Homeland Security or other country's equivalent

1-E. Sourcing

1-E-1

Analyze potential sources of goods or services.

Knowledge of:

- 2) Nature of sources and their effects on procurement
 - F) Emergency sources
- 3) Existing vs. new sources
 - J) Supply base optimization
 - M) Internet-based searches
 - 1.0 Meta database search (e.g., Google, Dogpile, etc.)
 - 2.0 Online buying guides

1-E-2

Evaluate competitive offerings to determine the overall best offer for a product/service.

Knowledge of:

- 1) Decision matrix/multi-attribute evaluation tool
- 9) Other factors
 - D) Supplier diversity considerations
 - E) Business continuity plans
 - F) Information security

1-F. Supplier Relationship Management

1-F-1

Identify opportunities and benefits for rationalizing supply base.

Knowledge of:

- 2) Data-mining tools
- 3) Supply base rationalization

1-F-2

Develop/manage effective relationships with suppliers.

Knowledge of:

- 2) Confidentiality policies
 - A) Typical policies regarding the possession, use and return/disposition of suppliers' property (intellectual and physical)
 - B) Organizational policies for suppliers regarding your IP
- 10) Early supplier involvement
 - C) Co-located engineering
- 11) Supply chain management
 - D) Role of supply management
 - E) Multi-tier purchasing agreements
 - F) Value chain analysis and process improvement

12) Supply base innovation

- A) Managing differences
- B) Managing breakthroughs
- C) Managing decisionmaking
- D) Managing transformation

1-F-4

Develop new supplier qualification plans and reports to assure components, materials and suppliers meet specified requirements (regulatory, safety, reliability, quality).

Knowledge of:

- 1) Customer communication/CRM
- 2) Supply chain mapping

1-F-6

Develop and execute supplier exit strategies.

Knowledge of:

- 1) Internal considerations
 - A) Stakeholders
 - B) Timing
 - C) Assets (e.g., inventory, tooling, capital equipment, IP)
 - D) Documentation
- 2) External considerations
 - A) Contractual
 - B) Customer requirements
 - C) Supplier certification status
 - D) Assets (e.g., inventory, tooling, capital equipment, IP)
- 3) Associated risks
 - A) Legal requirements
 - B) Financial requirements
- 4) Community concerns

2-A. Forecast**2-A-1**

Perform analysis and provide data on current and future and global/domestic market conditions, benchmarks and industry trends to management and/or user departments.

Knowledge of:

- 2) Market analysis
 - A) Porter's Five Forces
 - B) SWOT analysis
 - C) Establish benchmarks through industry database
 - D) RFI
 - E) Supplier research
- 3) Supply market complexity vs. impact on business
 - A) Opportunity assessment
 - B) Prioritization
 - 1.0 Type of purchase
 - 2.0 Strategic
 - 3.0 Routine
 - 4.0 Bottleneck
 - 5.0 Leverage buy

2-A-2

Develop supply forecasts in light of economic, competitive, technology, market and currency trends and conditions that affect procurement.

Knowledge of:

- 2) Economic concepts and terms used in forecasting
 - G) GDP
 - H) Balance of merchandise trade
 - I) Balance of payments
 - J) Exchange rates

2-B. Logistics**2-B-1**

Design/modify logistics facility layouts and equipment designs to support business model, increase productivity and lower operating costs.

Knowledge of:

- 1) Considerations for geographical location
 - A) Labor considerations
 - B) Transportation availability considerations
 - C) Governmental issues
 - 1.0 Political
 - 2.0 Tax considerations
 - D) Environmental considerations
 - E) Channel proximity/modality considerations
 - F) Average delivery time
 - G) Build-out vs. build-up
 - H) Two-dock vs. single-dock layout
 - I) Safety considerations
 - J) Security
 - K) Sanitation
 - L) Warehouse material handling systems (e.g., facility consideration re: forklifts, pickers, etc.)
- 2) Order picking vs. stock replenishing functions
- 3) Labor intensive vs. mechanized
 - A) Automation
 - B) Picker to part vs. part to picker
- 4) Virtual warehouse vs. real warehouse
- 5) Logistics performance measures, strategies and cost savings initiatives
 - A) Cost-to-sales ratios
 - B) Logistics cost per unit vs. budget
 - C) Cost of functions as a percent of sales

D) Inventory turns (e.g., Sales/Inventory, CGS/Inventory)

- 6) Third-party logistics considerations
- 7) Scorecards
- 8) Process improvement action plans

2-B-2

Direct traffic/distribution policies and procedures to ensure optimum flow of material and consolidation of freight.

Knowledge of:

- 1) Policies and procedures
 - A) Transportation modalities
 - B) Transportation restrictions
 - C) Carrier cost auditing
 - D) Carrier performance auditing
 - E) Freight classifications/Rates
 - F) Available technology
 - G) Relocation or movement processes

2-B-3

Manage international transportation, invoicing and documentation functions to ensure corporate compliance with all governmental import, export, haz-mat and air freight regulations

Knowledge of:

- 1) Characteristics of various modes of transportation
- 2) Roles of shipping companies, customers, suppliers and freight forwarders
- 3) Import/export documentation
- 4) Traffic patterns
- 5) Shipping routes
- 6) INCOTERMS
- 7) C-TPAT (Customs-Trade Partnerships Against Terrorism)
- 8) Cost/mode trade-offs
- 9) Multimodal shipments

2-B-4

Manage the resolution of delivery/receiving problems including freight loss and damage claims.

Knowledge of:

- 1) Freight terms (domestic and international)
- 3) Delivery performance measurements
- 6) Resolution processes
 - A) Escalation
 - B) Corrective action
- 7) Freight audit procedures

2-C. Materials and Inventory Management

2-C-1

Develop/implement a material and/or service standardization program.

Knowledge of:

- 1) General issues in standardization and simplification
- B) Procedures/steps in applying
 - 4.0 Effects of global operations

2-C-2

Develop/implement a warehouse and inventory management system.

Knowledge of:

- 1) Physical tracking systems
 - A) RFID
 - B) Bar code
 - C) UID – Unique Identification Device and IUID – Item Unique Identification Device (DoD initiative)
- 2) Overall project plan
 - A) Plan for business continuity
 - B) Implementation plan
 - C) Manpower & equipment requirements

- D) Facility design
- E) Physical constraints
- F) Fixed or random storage locations
- 3) Customer requirements
- 4) Cost considerations
- 5) Available technology for Warehouse Management System (WMS)
 - A) SWOT analysis
- 6) Warehouse management
 - A) Structures
 - B) Storage location
 - C) Replenishment systems
 - D) Inventory classification systems
 - E) Cycle counting
 - F) Perpetual
- 7) Inventory accuracy and inventory integrity
 - A) SKU establishment
 - B) Physical inventory
 - C) Cycle counting
 - D) Reconciliation
 - E) Shrinkage
 - F) Issue/Return
 - G) Recoup
 - H) Inventory consolidation
 - I) Security
 - J) Inventory policies/procedures
 - K) Location of materials (e.g., secure storeroom, outside yard storage, etc.)

2-C-3

Coordinate and/or monitor the movement of equipment and assets within the organization.

Knowledge of:

- 1) Organizational policy for asset classification
- 2) Physical tracking systems (e.g., bar coding,

asset tags, serial numbers, RFID)

- 3) Financial tracking systems
 - A) Capital equipment
 - B) Software tracking system
- 4) Internal distribution (e.g., distribution channels)
 - A) Internal transportation
- 5) Types of equipment and assets (e.g., cars, airlines, railroads, copiers)
- 6) Asset management
 - A) Inventory management
 - B) Asset recovery

2-C-4

Develop, oversee and execute multi-channel disposition plan for excess inventory and finished goods.

Knowledge of:

- 1) Investment recovery principals
 - A) Value stream mapping
 - B) Security of disposal
- 2) Market place for disposal
 - A) Broker
 - B) Dealer
 - C) Third-party specialist
- 3) Categories
 - A) Surplus
 - B) Obsolete
 - C) Damaged

2-D. Organization/Department Assessment

2-D-1

Monitor work against business plans and take action to resolve variances or adjusts plans as appropriate.

Knowledge of:

- 1) Performance measurement processes
 - A) What to measure
 - B) Measurement creation
 - C) Results evaluation (signal vs. noise, key stakeholders)
 - D) KPI – Key Performance Indicators
 - E) Performance management systems (e.g., EVMS – Earned Value Management System, balanced scorecard, value stream)
 - F) Corrective action process

2-D-3

Develop tools and processes to measure, report and improve compliance with supply management policies.

Knowledge of:

- 1) Creation of measurements
 - A) Audit processes
 - B) Validation process
 - C) Reporting requirements
 - D) Remediation
 - E) Training
- 2) Compliance metrics
 - A) Organizational policies (e.g., supplier diversity, social responsibility)

2-D-4

Analyze and resolve issues raised in supply management audit reports.

Knowledge of:

- 1) Types of audits (e.g., ISO, GAAP, SOX)

2-E. Planning

2-E-1

Implement or utilize requirements planning (xRP — e.g., ERP, MRP, MRP II, DRP, DRP II) to align supply management and operations activities to support organizational strategy.

Knowledge of:

- 1) Key principles of xRP
 - A) Enterprise integration
 - B) Data source consolidation
 - C) Information sharing
- 2) System Development Life Cycle (SDLC)
 - A) Analysis
 - B) Design
 - C) Development
 - D) Testing

2-E-2

Develop, implement, maintain and monitor the forecasting, operations planning, scheduling and inventory control functions to ensure optimum use of capacity and resources.

Knowledge of:

- 1) Forecasting models/methodologies
 - A) Least squares/Regression model
 - B) Box Jenkins
 - C) Winters model
 - D) Judgment sampling
 - E) Future sales based on past sales
- 4) Scheduling processes
 - A) Flow manufacturing
 - B) Level scheduling
 - C) Packaging optimization
 - D) Shared visibility into inventory (your organization, customer and supplier)
 - E) Bull-whip effect
- 5) Capacity utilization techniques
 - A) Sales forecasts
 - B) Implementation schedule

2-F. Product Development

2-F-2

Manage ramp-up strategy and implementation to full-scale production for new product introductions.

Knowledge of:

- 1) Sales projections
- 2) Staffing requirements
- 3) Operations capacity and capabilities
 - A) Operations flexibility and response time
 - B) Equipment and labor capabilities
- 4) Logistics/distribution capabilities
- 5) Supplier capability/capacity analysis
 - A) Tooling
 - B) Prototype qualification
- 6) Leadtime and inventory planning

2-G. Project Management

2-G-1

Perform project management activities representing the supply management organization.

Knowledge of:

- 1) Project initiation
 - A) Root cause analysis
 - 1.0 SWOT analysis
 - 2.0 Kepner-Tregoe rational process analysis
 - 3.0 Six Sigma process analysis
 - 4.0 Business case analysis
 - 5.0 Alternative analysis
 - 6.0 Project feasibility analysis
 - 6.1. Net Present Value (NPV), Internal Rate of Return (IRR), Payback
 - 7.0 Stakeholder analysis

8.0 Project charter

8.1 Project charter approval process

2) Project planning

A) Procurement planning process

1.0 Solicitation planning process

2.0 Scope development

2.1 SOW (Statement of Work)

3.0 Project team roles and responsibilities

3.1 RAM (Responsibility Assignment Matrix)

4.0 Budget development

5.0 Schedule development

5.1 Critical path

6.0 Risk management

6.1 Risk matrix

7.0 Organizational structures

7.1 Functional, matrix, projectized

8.0 Project plan approval process

3) Project execution

A) Solicitation process

1.0 Source selection process

2.0 Project team management

3.0 Change management

4) Project monitoring and control

A) Contract administration process

1.0 Performance measurement tools

1.1 Earned value management, schedule analysis, budget analysis

2.0 Change control processes

3.0 Risk monitoring process

- 4.0 Performance management reporting
 - 4.1 Triple constraints (cost, schedule & performance)
 - 4.2 Milestone reviews
- 5.0 Project management software programs

5) Project closure

- A) Contract closeout processes
 - 1.0 Property dispositions process
 - 2.0 Final product/service acceptance
 - 3.0 Final payment process
- B) Best practice and lessons learned identification
- C) Post project auditing procedure

2-G-2

Implement a continuous improvement process within the supply chain in accordance with organizational objectives.

Knowledge of:

- 1) Benchmarking systems
- 2) Process mapping
- 3) Process costing
- 4) Maturity models
- 5) Capability Maturity Model-Integrated (CMMI)
- 6) Contract Management Maturity Model (CMMM)
- 7) Process improvement metrics
- 8) Process improvement methods (e.g., lean methods, JIT, Six Sigma, value stream mapping)
- 9) Supplier workshops

2-H. Quality

2-H-3

Develop, measure and evaluate quality requirements to continuously improve supplier performance.

Knowledge of:

- 3) Service Level Agreements (SLA)
 - A) Service (e.g., customer satisfaction, leadtime, on time)
 - B) Cost performance
 - C) Quality
 - 1.0 Periodic inspections
 - 1.1 Internal requirements
 - 2.0 Customer requirements
 - 3.0 Statistical methods/techniques
 - 4.0 Testing methods
 - 5.0 Levels of inspection
- 4) Measurements/methods
 - A) Customer surveys
 - B) Focus groups
 - C) Scorecards
 - D) Potential distortions (e.g., subjectivity of end user, internal training, validity of data)

3-A. Leadership

3-A-1

Represent the supply management organization in decisions related to the organization-wide or project objective setting, budgeting, staffing and policies.

Knowledge of:

- 1) Supply management organization mission, processes, capabilities
- 2) Definition of customer requirements

- 3) Corporate processes and organizational dynamics
- 4) Influence
- 5) Internal negotiations and synergies

3-A-2

Develop and implement business plans that will meet customer service, corporate profit and return on equity goals.

Knowledge of:

- 1) Corporate goals
- 2) Elements of a business plan
- 3) Concept of goal alignment
 - A) Internal
 - B) External
- 4) Product price structure
- 5) Contribution to profit
- 6) Business planning process
- 7) SWOT analysis
 - A) Governmental
 - B) Environmental
 - C) Market
 - D) Emerging supply chain practices
- 8) Financial measures and other metrics

3-A-3

Develop, implement and monitor a strategic supply management plan and operating plan based on market conditions, business needs and available resources.

Knowledge of:

- 1) Elements of a strategic supply plan
- 2) Elements of an operating plan
 - A) Forecasts
 - B) Budget
 - C) Staffing plan

D) Metrics

3-A-4

Plan/develop/provide operating policies, guidelines and procedures. Modify as necessary in order to achieve the optimal structure.

Knowledge of:

- 1) Nature of management control
 - A) Before-the-fact controls
 - 3.0 Business continuity

3-A-5

Develop/implement changes to the organization's supply management policies as needed.

Knowledge of:

- 2) The scope of the supply management process (as defined by ISM) identification, acquisition, access, positioning and management of resources and related capabilities the organization needs or potentially needs in the attainment of its strategic objectives. Includes the following components: distribution, inventory control, logistics, materials management, product development, strategic sourcing, procurement/purchasing, quality, receiving, supply management, transportation/traffic/shipping and warehousing
- 3) The role of supply management in organizational strategies

3-A-6

Participate in company acquisitions and/or mergers and/or divestitures to assure the continuity supply and capture synergy opportunities.

Knowledge of:

- 1) Methods of evaluating assets/corporate value
 - A) Contractual issues
 - 1.0 Assignment consent
 - 2.0 Confidentiality
 - 3.0 Due diligence

4.0 Current contractual obligations

5.0 Financial assessments

- B) Management of redundancy and complexity
- C) Liability exposure
- D) Divestiture of assets
- E) Global economic considerations

3-A-7

Represent the supply organization in meetings with corporations, government agencies, professional associations and other organizations.

Knowledge of:

- 5) Confidentiality
- 6) Legal restrictions (e.g., antitrust, export)

3-A-10

Market the value of strategic sourcing and sourcing strategies and initiatives to management and internal customers.

Knowledge of:

- 1) Level of communication
 - A) Senior management
 - B) Internal customers
- 2) Methods of communication
 - A) Feedback mechanisms
 - B) 360 survey
 - C) Presentation skills
 - D) Intranet

3-A-12

Hire, develop, retain, promote and/or dismiss supply management personnel.

Knowledge of:

- 2) Organization skill set requirements
- 3) Position skill set requirements
- 7) Issues in employee retention

E) Work/life balance

F) Work environment

3-A-18

Create and manage a succession plan, allocating work assignments in such a way as to provide career development and growth opportunities.

Knowledge of:

- 1) Cross-training
- 2) Mentoring
- 3) Professional development
- 4) Delegation of leadership opportunities
- 5) Human resources policies, procedures and planning
- 6) Elements of a succession plan
- 7) Organizational structure
- 8) Educational opportunities
- 9) Job rotation

3-B. Risk and Compliance

3-B-1

Develop, implement and manage a risk profile and strategies in accordance with existing contracts, applicable laws, regulations and organizational policy.

Knowledge of:

- 1) Classifications of risk stakeholders
 - 2) Contractor tier considerations
 - A) Prime contract
 - B) Subcontract
 - C) General
 - 3) Probability estimation procedures
 - 4) Risk management procedures
 - A) Risk planning
 - B) Risk assessment
- 1.0 Risk profile

C) Risk mitigation

D) Risk monitoring

3-B-2

Develop and implement a risk management and/or claims management program (i.e., copyright violation, patent infringement, harassment).

Knowledge of:

- 1) Financial risk
- 2) Operational risk
- 3) Brand/reputation risk
- 4) Legal risk

A) Employment

B) Intellectual property

- 5) Environmental risk
- 6) Technical risk

3-B-4

Develop/implement/maintain a database/physical filing system of relevant information.

Knowledge of:

- 1) Regulatory requirements for records management

3-B-5

Verify the existence, accuracy and completeness of relevant financial transactions and commitments to third parties.

Knowledge of:

- 1) Domestic and international regulatory requirements (e.g., Federal Energy Regulatory Commission (FERC), Sarbanes-Oxley Act (SOX))
- 2) Organizational financial reporting policies

3-B-6

Assess risk from end of life cycle issues in the market place and establish proper risk mitigation contingency plans for all components in the product.

Knowledge of:

- 1) Life-cycle costing
- 2) Product marketing strategy
- 3) Market intelligence
- 4) Collaboration with suppliers
- 5) Risk tolerance of organization

3-B-7

Manage and control the storage/disposal of hazardous/regulated materials and related documentation.

Knowledge of:

- 1) Laws/regulations related to documentation, storage, handling, transportation and disposal (“cradle to grave”)
- 2) Risk
 - A) Contractual
 - B) Insurance
 - C) Legal
- 3) Ethical issues
- 4) Audit
 - A) Internal
 - B) Supply chain
 - C) Reporting
 - D) Certification (e.g., transport, storage, abatement)
- 6) ISM Principles of Social Responsibility and Audit
- 7) Customer-driven requirements

3-C. Strategic Sourcing

3-C-1

Establish and execute strategic sourcing plans, in congruence with organizational objectives and sourcing strategies.

Knowledge of:

- 1) Internal organization conditions related to sourcing strategies.
 - A) Operational strategies
 - B) Financial strategies
 - C) Marketing strategies
 - D) Supply strategies
 - E) Technology strategies
- 2) Market analysis
- 3) Supplier marketing strategies
- 4) Risk/benefit analysis
- 5) Roll-out plan
- 6) Communication plan
- 7) Phased timeline approach

3-C-2

Establish and standardize strategic sourcing procedures and business process improvements.

Knowledge of:

- 1) Regression analysis
- 2) Processes to disseminate and communicate the policy and procedures
- 3) Technology and application tools
 - A) Applications
 - B) Analytical
- 4) Analytical skills
- 5) Sourcing related technologies
- 6) Change management skill

3-C-3

Identify, evaluate, select and implement technologies that support supply management functions throughout the organization.

Knowledge of:

- 1) Business process design
- 2) Market analysis for selection of appropriate e-solutions
- 3) Methodologies for selection, implementation and adoption by the organization
 - A) Assessment of current systems
 - B) e-Business solutions
- 4) Contemporary e-sourcing tools
 - A) Purchase order systems
 - B) e-RFx
 - C) EDI
 - D) Reverse auctions
 - E) e-Design
- 5) Procedures for managing an online event
- 6) Spend analysis
- 7) Contract management
- 8) Supplier performance measurement

3-C-4

Leverage spend through identification, prioritization, development and execution of strategies.

Knowledge of:

- 1) Implications of organizational structure
 - A) Stakeholders
 - B) Steering committee
- 2) Opportunity assessment
 - A) Spend analysis
 - B) Cost analysis
 - C) Risk analysis

- D) Market analysis (i.e., monopoly, oligopoly, etc.)
- E) Requirements analysis (e.g., standardization, consolidation)
- 3) Leveraging strategies
 - A) Aggregating spend
 - B) Process improvements
 - C) Innovative thinking
- 4) Factors for prioritizing decisionmaking
 - A) Savings
 - B) Organizational capacity
 - C) Organizational culture
 - D) Constraints
- 3) Labor and other organizational constraints
 - A) Quality considerations
 - B) Supplier current and future capability
 - C) Socioeconomic goals/objectives
 - D) Capital investment
- 4) Offshoring
 - A) Low-cost country sourcing
 - B) Country analysis
- 6) Post-audit evaluation of decision

3-C-5

Conduct analysis to determine insourcing or outsourcing strategy.

Knowledge of:

- 1) Procedures for conducting make-or-buy or outsourcing analyses
 - C) Methods/processes
 - 4.0 Incremental cost analysis
- 2) Factors influencing outsource/make-or-buy/offshoring decisions
 - A) Strategic factors
 - 1.0 Long-term supply implications
 - 2.0 Core competencies and strategies
 - 3.0 Supply risk
 - 3.1 Degree of control required
 - 3.2 Security of the process
 - 4.0 Total cost of ownership results
 - 5.0 Competitive issues
 - B) Reduction in assets
 - C) Flexibility to change

3-C-6

Create new systems and process improvements to help the organization meet sales goals.

Knowledge of:

- 1) Product and technology roadmaps of supplier and customer
 - A) Sales goals
- 2) Data on sales performance to plan
 - A) Point-of-sale information
- 3) Integration requirements between supplier and customer systems
- 4) Product pricing strategy
 - A) Margins
- 5) Financial and information flows
- 6) Critical service factors
- 7) Customer segmentation (derived demand and market segmentation)
- 8) Supplier collaboration processes