

Future Strategic Challenges for the Profession

CIPS L6M4

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Topic Break Down

Topic	No. of Questions
Topic 1, Understand the impact of strategic change on procurement and supply	4
Total	4

1.2 Discuss how supply chain collaboration is influencing the evolving skill sets and expectations of strategic procurement and supply chain leaders.

ANSWER: See the explanation for the answer

Explanation:

Supply chain collaboration changes procurement and supply chain leadership from a primarily transactional, cost-control role to a strategic role that orchestrates value across internal functions and external partners. Leaders are expected to create trust, align objectives and jointly improve innovation, resilience, sustainability and customer value.

1. Strategic and cross-functional leadership

Collaborative supply chains require leaders to align sourcing and supply strategies with corporate strategy, rather than merely obtain the lowest purchase price. They must influence senior stakeholders and coordinate functions such as operations, engineering, finance, marketing, logistics and sustainability. This increases the need for strategic thinking, commercial awareness, stakeholder management and the ability to lead without direct authority.

2. Relationship, communication and negotiation capability

Long-term supplier partnerships depend on trust, transparency, shared information and mutually beneficial goals. Leaders therefore need stronger communication, influencing, listening, conflict-resolution and negotiation skills. They must manage supplier relationship management (SRM) programmes, agree fair governance arrangements and handle cultural differences in international supply networks. The emphasis moves from adversarial price negotiation to collaborative problem-solving and value creation.

3. Innovation and supplier-development skills

Suppliers can contribute technical expertise, process improvements and product innovation. Strategic procurement leaders are consequently expected to involve appropriate suppliers early in design and planning, facilitate joint innovation workshops and support supplier capability development. They need to assess total value, intellectual-property implications and the equitable sharing of risks, costs and benefits, rather than assess suppliers solely against unit price.

4. Digital and analytical competence

Collaboration increasingly relies on shared systems and timely, reliable data. Leaders need sufficient digital literacy to use e-procurement, SRM platforms, supply-chain visibility tools, analytics and forecasting technologies. They must be able to interpret performance, risk and demand data and turn it into decisions with partners. They also need awareness of data quality, cyber security, confidentiality and data-sharing agreements, since partners may be reluctant to share commercially sensitive information.

5. Risk, resilience and systems thinking

Because supply networks are interdependent, disruption at a lower-tier supplier can affect the entire chain. Leaders are expected to understand end-to-end and multi-tier risk, map dependencies, use scenario planning and create joint contingency and business-continuity plans. This requires systems thinking: optimising the whole supply chain and long-term continuity, rather than one organisation's short-term departmental target.

6. Sustainability, ethics and responsible leadership

Customers, investors, regulators and communities increasingly expect supply chains to address emissions, labour conditions, human rights, modern slavery and responsible sourcing. Procurement leaders must collaborate with suppliers to set ESG standards, collect credible performance information, develop corrective actions and support circular-economy or carbon-reduction initiatives. They need ethical judgement and the confidence to challenge poor practices, even where doing so may increase short-term cost or complexity.

7. Adaptability and continuous learning

New technology, geopolitical change, climate risks and changing customer expectations mean that collaborative arrangements cannot remain static. Leaders need learning agility, curiosity and change-management skills. They should encourage knowledge sharing, experimentation and continuous improvement within both internal teams and supplier relationships.

Overall, the expectation is that a strategic procurement and supply chain leader acts as a network orchestrator: combining commercial and analytical expertise with emotional intelligence, digital confidence, ethical leadership and strategic influence. Success is measured not only through savings and compliance, but also through joint innovation, service, resilience, sustainable outcomes and long-term value for all relevant stakeholders.