**Self-test 1.4**

What are the procurement criteria for cost and differentiation competitive strategies? Give examples of supply objectives in the areas of (a) quality and innovations, (b) availability and lead-time, (c) supplier service and responsiveness, and (d) cost reduction.

**Suggested answers to activities**

**Feedback**

**Activity 1.4**

When we are formulating corporate strategies, the different external environmental factors we must consider are:

1. Political
2. Legal
3. Ecological
4. Economical
5. Socio-cultural
6. Technological

**Activity 1.5**

Procurement function should:

1. Contribute to developing corporate strategies.
2. Ensure that corporate strategy is fully taken into account and implemented in the course of its work.
Implications for Procurement function in corporate decisions on what products and services to sell include:

1. Are new materials and technologies available?
2. Can we obtain these from known suppliers?
3. Are we better placed to source than our competitors?
4. Should we involve suppliers in product design?
5. Which components should we make, and which should we buy?
6. Should we buy custom or standard components?