What Is ISM?
Founded in 1915, the Institute for Supply Management® (ISM®) was the first supply management institute in the world. Throughout the past 100 years, ISM has served and guided the supply management profession within the global marketplace. ISM is considered to be a highly influential and respected association, providing industry professionals and organizations with extensive education, research, publications, including the renowned monthly ISM Report on Business℠ and highly regarded certifications.

Certified Professional in Supply Management® (CPSM®) Program
ISM launched the Certified Professional in Supply Management (CPSM) program in May 2008. The CPSM qualification was created for supply management professionals who are forward thinking and wish to have a broad understanding of all components of the profession. The CPSM emphasizes the major segments of the supply management profession; and those earning the qualification will attain a greater understanding of their organization’s supply network and have the skills to make more accurate and profitable decisions.

Why You Should Pursue the CPSM Certification
There is a reason ISM has certified over 60,000 supply chain professionals in more than 30 countries. This professional achievement is valued by employers and organizations around the globe. Ready to take your career to the next level? There is no better way than with an ISM certification.

Whether you want to stand out in your current career role or take your expertise to the next level, becoming a Certified Professional in Supply Management (CPSM) is essential. A CPSM certification will set you apart as an expert in critical areas of global supply chain management such as sustainability, strategic sourcing & forecasting and risk/compliance. As an ISM member you will receive discounted exam pricing and have access to exclusive online study materials and resources.

CPSM Requirements
The criteria for earning the CPSM certification are:

• Three years of full-time, professional supply management experience (nonclerical, nonsupport) with a bachelor’s degree from a regionally accredited institution or international equivalent

OR

• Five years of full-time, professional supply management experience (nonclerical, nonsupport) without a qualified bachelor’s degree

AND

• Successfully pass three CPSM Exams

Candidates who are unsure if their work experience is applicable to the CPSM, may submit their work experience to ISM before taking any exams to see if they qualify. There is a minimal charge for this service.

To download the form, go to: https://www.instituteforsupplymanagement.org/files/Certification/WorkExpEvalRequestForm.pdf

Quick Overview of CPSM Certification Steps
1. Determine your goal and timeframe
2. Purchase and review study materials
3. Purchase all 3 Exams (can be purchased separately or together)
4. Pass all 3 CPSM Exams
5. Obtain experience letters(s) from employer(s) (Remember ISM does not allow self-verification of work experience)
6. Complete and submit your CPSM application; Include your 3 score reports, Bachelor’s degree (if applicable) and experience letters

CPSM Exam/Preparation Study Plan
ISM offers a variety of study materials to assist you in preparing for your exams. To meet your personal study preferences, some study materials are available on print or online.

ISM Recommended Self-Study Roadmap*
• Set goals and create a time line to study and take your exam(s).
• Take the CPSM Diagnostic Practice Exam to find your weak areas.
• Use your score report from your Diagnostic Practice Exam to develop a study plan to target areas you need to strengthen.
• Use the CPSM Study Guide, an expanded outline of the exam content, to get familiar with the exam specifications, examples of the testing format and styles of questions.
• The ISM Professional Series is where you want to go for a more detailed explanation of the exam task areas that were weak in your score report.
• If needed, take another practice exam test from the Diagnostic Practice Exam to make sure you understand the concepts and improve your scores in weak areas.
• Still need more? Take a CPSM Review Course.

*Please note that ISM recommends the use of our study materials but does not require their purchase or use.

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 CPSM Study Guide provides a general overview of the subjects covered in the exam. It is not meant to serve as a substitute for major textbooks in the field. The exam may include material NOT covered in detail in the Study Guide.

The CPSM Exam
The CPSM examination process consists of three separate exams which together cover the main components of supply management. Exam content addresses today’s supply environment and workplace complexities, such as risk, strategic sourcing, technology and the increased skills needed for supply professionals to drive value in their organizations.

The CPSM Exam is a professional certification test. The exam will NOT evaluate or gauge how “good” you are, or will be, as a supply management professional. It also does not indicate whether one candidate is a better supply management professional 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.

CPSM Exam scores are valid for four years from the date they are taken. The CPSM Exams may be taken in any order you choose and you may register for as many exams as you like at one time.

How the CPSM Exams are Constructed
As a prime example of an occupational test, it is important to note that the CPSM Exams are not “final exams” in the field of supply management. The exams are not designed to cover the content of any particular course or curriculum in the area of supply management. Rather, they are designed to reflect the knowledge areas needed to perform the important occupational duties of professionals employed in the field of supply management. In developing the CPSM Examination Specifications, ISM drew upon the knowledge, expertise and skill sets of supply management professionals who were at the manager level or above from organizations with revenues of more than US$1 billion. The professionals came from various industries and areas within supply management to determine the content of the examinations.

Number of Questions and Length of Time Allotted for Each Exam
Exams 1 and 2: 2 hours, 45 minutes are allowed to complete each exam.

Exam 3: 3 hours are allowed to complete each exam.

Exams 1, 2 and 3 each contain 15 unscored questions that are given solely for research purposes — they are not used in the determination of your score. Note that the unscored questions are in undisclosed and varied locations throughout the test. You should therefore perform to the best of your ability on all questions.

Exam Registration Options
Exams may be taken one of two ways; either individually through a Pearson Vue testing center or as a group proctored at an onsite location. There is a required minimum of five or more candidates necessary for onsite exams to be considered. Please contact the ISM certification department directly if you have a group who is interested in testing onsite at your location.

Pearson VUE Exams
To take your individually scheduled exam at a Pearson Vue location, you must first register and pay for your exams with ISM. Registration is available in the following ways:

Online: https://www.instituteforsupplymanagement.org/Certification/Register.cfm?navItemNumber=28811

Phone: Call ISM Customer Service at 800/888-6276 or +1 480/752-6276, ext 3001. Please have credit card number and ISM Member ID number ready.

Pearson VUE 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 for details.

Computer Exam Confirmation
After ISM receives your registration, you will receive an email confirmation within one or two hours 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 (please read carefully)

Making Your Appointment
Once you receive your confirmation from ISM, please wait at least 24 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 in order to get your desired date.

To schedule your exam, please use the Pearson VUE scheduling link provided to you in your confirmation email. You may also call Pearson VUE toll-free at 888/273-2971. When calling to schedule, please have your ISM candidate ID number that was provided in your confirmation.

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.

Registrations are valid for one full year from the date you register with ISM. If exams are not taken within one year the exam fees will be forfeited.

Canceling/Rescheduling Your Appointment
You must contact Pearson VUE by email 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 cancelled 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.

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 and you 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 CPSM Exam under standard conditions, you may request special accommodations. Please contact ISM Certification for more information.
I.D. Requirements
For your exam, you must bring one valid photo I.D. with a signature.

If the name on your I.D. is different from the name on your exam registration, see name matching guidelines below, please contact ISM immediately to make any necessary corrections.

If you are unable to produce a valid I.D. 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.

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.; Photo Credit Card

*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.

Test Center Protocol and Dismissal from Exam
Plan to arrive 30 minutes prior to your exam time. If possible, to cut down on day of exam stress, ISM recommends that you drive to your specified testing location prior to the exam date so you are comfortable with where you are going and where to park. 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. All electronic items such as smart phones, cell phones, watches, and smart glasses are strictly 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

Pearson VUE Name Matching Guidelines
General Guidelines: The administrator must check that the candidate’s name on both forms of ID matches the candidate’s name on the testing center schedule. The rules below provide guidelines as to whether or not names are considered to match.

<table>
<thead>
<tr>
<th>Type</th>
<th>Registration Name</th>
<th>IDs presented that match</th>
<th>IDs presented that do not match</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a single or two-letter difference resulting from a typo</td>
<td>Alexander Johnson Marshall Diller</td>
<td>Alexandre Johnson/ Alexander Johnson Marshall Diller/Marshall Ditter</td>
<td>Alexander Jackson Martha Diller</td>
</tr>
<tr>
<td>Single Letter Addition</td>
<td>Joseph Miller</td>
<td>Joseph Millers</td>
<td>Jason Miller</td>
</tr>
<tr>
<td>The first name is provided formally on one document but a typical variation is used on another document. Note that “Ma.” is NOT an approved abbreviation for the name Maria.</td>
<td>Sandra Herman Billy Pickins</td>
<td>Sandy Herman William Pickins</td>
<td>Sally Herman Buddy Pickins</td>
</tr>
<tr>
<td>One version has the middle initial present, while the other is missing the middle initial, or the middle initial is on one document and the entire name is written on another.</td>
<td>Mary R. Abernathy</td>
<td>Mary Abernathy Mary Rose Abernathy</td>
<td>Mary Martha Abernathy</td>
</tr>
<tr>
<td>Candidate’s maiden name is used as their middle name in some documents while their given middle name is used in others.</td>
<td>Mary Elizabeth Smith</td>
<td>Mary Jones Smith Mary Elizabeth Jones Smith</td>
<td>Elizabeth Jones Smith</td>
</tr>
<tr>
<td>Candidate’s last name is their maiden name on some documents while the married name is used in others. For the candidate to be admitted, the candidate must present an original marriage license or divorce decree to supplement the identification.</td>
<td>Alexis Gates Alexis Stevens</td>
<td>Alexis Stevens Alexis Gates</td>
<td>Alexis Jones</td>
</tr>
<tr>
<td>A hyphen or other special character (For example: Ø, Ö, Ñ) is used on one document but not on another. (Disregard the hyphen or special character)</td>
<td>Sarah Johnson-Wells Jose Garcia</td>
<td>Sarah Johnson Wells/ Sarah Wells José Garcia</td>
<td>Sarah Johnson Felipé Garcia</td>
</tr>
<tr>
<td>A title or suffix is used on one document but not on another</td>
<td>Anthony Santos Jr. Sarah Wells</td>
<td>Anthony Santos Dr. Sarah Wells</td>
<td>Anthony Santos Sr. Dr. Sarah Waltz</td>
</tr>
<tr>
<td>Last names are repeated: Maiden name and last name are the same</td>
<td>Sarah Johnson</td>
<td>Sarah Johnson Johnson</td>
<td>Sarah Smith Johnson</td>
</tr>
<tr>
<td>Type</td>
<td>Registration Name</td>
<td>IDs presented that match</td>
<td>IDs presented that do not match</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>----------------------------</td>
<td>------------------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>First and last names are reversed.</td>
<td>Ilsa Kim, Russell Evan</td>
<td>Kim Ilsa, Evan Russell</td>
<td>Kim Ilsa Smith, Evan Russell Stanley</td>
</tr>
<tr>
<td>The normal order for names in some non-Western countries is family name first, followed by first name, rather than first name followed by family name.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Last name first, followed by first name and middle name. Some states place the last name first on official documents such as driver’s licenses</td>
<td>John Michael Smith</td>
<td>Smith, John Michael</td>
<td>Smith, Michael John</td>
</tr>
<tr>
<td>Some governments or other organizations may abbreviate names. For example, the U.S. states of Florida and New York abbreviate first names. Some states abbreviate the names because of the length. If the Registration name spells out the candidate’s full name, but the name is abbreviated in the ID, the ID is still acceptable.</td>
<td>Elizabeth Smith, John Jones</td>
<td>E. Smith, J. Jones</td>
<td>F. Smith, K. Jones</td>
</tr>
<tr>
<td>Candidate’s first or last name consists of initials in Registration. In this case, the initials in the Registration name must be used on both IDs and on the test center schedule.</td>
<td>B.B. King, Satveer G. Gordon Liddy</td>
<td>B.B. King, Satveer G. Gordon Liddy</td>
<td>Bradley B. King, Satveer Gupta/G. Satveer, G. Gordon Liddy</td>
</tr>
<tr>
<td>Names do not match, but the identification is amended. For example, a candidate’s maiden name appears in the front of the passport, but the next page of the passport is amended with information detailing a name change. This is acceptable.</td>
<td>Elizabeth Smith, John Jones</td>
<td>Elizabeth Jones, Eliz. Jones</td>
<td>Elaine Smith</td>
</tr>
<tr>
<td>Due to the candidate’s name being very long, the name is truncated (shortened) to fit into the name field. This is acceptable.</td>
<td>Elizabeth Jones, Jon Smithfields</td>
<td>Eliz. Jones, Jon Smithfield</td>
<td>Elizabeth Long, Jon Smithfield</td>
</tr>
<tr>
<td>Cultural Variations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Candidate has just one name, rather than a conventional Western first and last name. In this case, the single name must be the only name used on both IDs and on the testing center schedule. Note that the Pearson VUE system requires a first and last name, so a period (.) may appear in place of one of the names. The period does NOT need to appear on the IDs in order for the names to match.</td>
<td>Madonna</td>
<td>Madonna</td>
<td>Madonna Ciccone, Madonna C</td>
</tr>
<tr>
<td>When multiple first or last names appear due to a regional cultural tradition (i.e. candidate has a traditional first name or titles on the ID, or both father and mother’s last names are shown on the ID), at least one of the multiple names must appear both on the ID and in Site Manager in order to admit the candidate, regardless of where the name/names appear on the fields in Site Manager. Cultural consideration for first, middle, and last names: If a candidate’s first, middle, or last name does not appear in the correct fields in Site Manager, you should still admit the candidate as long as the names in Site Manager appear on the ID. Usually, this situation occurs when a candidate does not understand “Western” naming conventions or has multiple first and/or last names, and puts names into the incorrect fields when they register online.</td>
<td>David Aguilar, David Pena, Jose Manuel Bermudez Garcia, LEELAMRUTHAY VEERA, BRAHMAMT KURCHATIN, PURNAM SATYAL KRISHAKANTH SIDAPARTHY</td>
<td>David Aguilar, David Pena, Jose Bermudez, Jose Garcia, Manuel Bermudez, Manuel Garcia, Manuel Bermudez Garcia, Brahmamt Kurchatin, Krishnakanth Purnam Sidaparty Satyal</td>
<td>David Lopez, Jose Manuel, Dakshesh Brahmamt Kurchatin, Dharma Satyal, Disaparthy</td>
</tr>
</tbody>
</table>
Biometrics
Pearson VUE 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 a palm on a scanner, which results in an electronic palm-vein print.

Scoring, Equating and Scaling
While the content of the CPSM Exam remains consistent from form to form, the questions used in the exam 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 CPSM Exam converts all scores to a scale ranging from 100 to 600, with the passing score set at 400. Scores received from ISM are reported as scaled scores in increments of 10. If your scaled score on any particular exam is in the range of 100 to 390, you’ve failed that exam. If your scaled score is in the range of 400 to 600, you’ve passed that exam.

Weighting Process for Exam Tasks
A group of practitioners and subject-matter experts (SMEs) met and determined the weight of each task area compared to all other task areas in the exams. The final weight assigned to each task determines the number of questions on the exam from each task area.

Value of Each Exam Question
All exam questions are worth the same weight regardless of their length. Candidates receive one point for a correct answer and zero points for an incorrect answer. Sample questions are not used to determine scores. 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 possible for each task. Review your score report of the exam you did not pass and anywhere you score less than 75% in a given task area, you should devote additional study time. Look over the CPSM study materials you used to study. You may consider purchasing additional study materials at this time. This may help in planning a course of study during the required 30-day waiting period to re-test.

Retention of Score Reports
Candidates are responsible for retention of their original score reports. Score reports are required when applying for CPSM original certification or recertification. Scores are valid for four years from the date they are taken. This date is listed on your score report.
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)

Exam 2: Effective Supply Management Performance
165 questions • 150 scored • 2 hours, 45 minutes
Section A.
Forecasting (19 questions)
2A1 Perform analysis and provide data on current and future and global/domestic market conditions, benchmarks and industry trends to management and/or user departments (6 questions)
2A2 Develop supply forecasts in light of economic, competitive, technology and market and currency trends and conditions that affect procurement (7 questions)
2A3 Manage forecasted data with suppliers (6 questions)

Section B.
Logistics (19 questions)
2B1 Design/modify logistics facility layouts and equipment designs to support business model, increase productivity and lower operating costs (4 questions)
2B2 Direct traffic/distribution policies and procedures to ensure optimum flow of material and consolidation of freight (5 questions)
2B3 Manage international transportation, invoicing and documentation functions to ensure corporate compliance with all governmental import, export, hazmat and air freight regulations (5 questions)
2B4 Manage the resolution of delivery/receiving problems including freight loss and damage claims (5 questions)

Section C.
Materials and Inventory Management (19 questions)
2C1 Develop/Implement a material and/or service standardization program (6 questions)
2C2 Develop/Implement a warehouse and inventory management system (4 questions)
2C3 Coordinate and/or monitor the movement of equipment and assets within the organization (4 questions)
2C4 Develop, oversee and execute multichannel disposition plan for excess inventory and finished goods (5 questions)

Section D.
Organization/Department Assessment (26 questions)
2D1 Monitor work against business plans and take action to resolve variances or adjusts plans as appropriate (7 questions)
2D2 Develop performance criteria and evaluate supply management staff performance (6 questions)
2D3 Develop tools and processes to measure report and improve compliance with supply management policies (7 questions)
2D4 Analyze and resolve issues raised in supply management audit reports (6 questions)

Section E.
Planning (15 questions)
2E1 Implement or use requirements planning (xERP – e.g., ERP, MRPII, DRP, WMS) to align supply management and operations activities to support organizational strategy (8 questions)
2E2 Develop, implement, maintain and monitor the forecasting, scheduling and inventory control functions to ensure optimum use of capacity and resources (7 questions)

Section F.
Product and Service Development (12 questions)
2F1 Participate in product/service development or specification/requirement changes that support organizational merchandising and marketing efforts to meet customer needs (6 questions)
2F2 Manage ramp-up strategy and implementation to full-scale production for new product or service introductions (6 questions)

Section G.
Project Management (19 questions)
2G1 Perform project management activities representing the supply management organization (9 questions)
2G2 Implement a continuous improvement process within the supply chain in accordance with organizational objectives (10 questions)
Section H. Quality (21 questions)

2H1 Develop/administer a supplier certification program (6 questions)

2H2 Develop measurements for continuous quality improvement and target setting (8 questions)

2H3 Develop, measure and evaluate quality requirements to continuously improve supplier performance (7 questions)

Exam 3: Leadership in Supply Management
180 questions • 165 scored • 3 hours

Section A. Leadership (96 questions)
3A1 Represent the supply management organization in decisions related to the organization-wide or project objective setting, budgeting, staffing and policies (6 questions)

3A2 Develop and implement business plans that will meet customer service, corporate profit and return-on-equity goals (6 questions)

3A3 Develop, implement and monitor a strategic supply management plan and operating plan based on market conditions, business needs and available resources (5 questions)

3A4 Plan/develop/provide operating policies, guidelines and procedures; modify as necessary in order to achieve the optimal structure (5 questions)

3A5 Develop/Implement changes to the organization's supply management policies as needed (5 questions)

3A6 Participate in company acquisitions, and/or mergers, and/or divestitures to assure the continuity of supply and capture synergy opportunities (6 questions)

3A7 Represent the supply organization in meetings with corporations, government agencies, professional associations and other organizations (6 questions)

3A8 Lead or participate in cross-functional and/or multifunctional teams (e.g., project management, process improvement, international teams) (8 questions)

3A9 Disseminate information and promote training related to supply management policies and procedures (5 questions)

3A10 Market the value of strategic sourcing and sourcing strategies and initiatives to management and internal customers (5 questions)

3A11 Evaluate the supply management organizational structure and modify as necessary in order to achieve the optimal structure (5 questions)

3A12 Hire, develop, retain, promote and/or dismiss supply management personnel (5 questions)

3A13 Supervise and lead human resources to achieve initiatives (5 questions)

3A14 Conduct/authorize job training for the professional development of the staff (5 questions)

3A15 Develop/manage/evaluate/measure relationships with internal departments (5 questions)

3A16 Develop/utilize criteria for evaluating supply management department performance (5 questions)

3A17 Conduct role design evaluation and potential job redesign requirements (5 questions)

3A18 Create and manage a succession plan, allocating work assignments in such a way as to provide career development and growth opportunities (4 questions)

Section B. Risk and Compliance (32 questions)
3B1 Develop, implement and manage a risk profile and strategies in accordance with existing contracts, applicable laws, regulations and organizational policy (4 questions)

3B2 Develop and implement a risk management and/or claims management program (i.e., copyright violation, patent infringement, harassment) (3 questions)

3B3 Implement supply management processes in consideration of legal issues (5 questions)

3B4 Develop/implement/maintain a database/physical filing system of relevant information (3 questions)

3B5 Verify the existence, accuracy and completeness of relevant financial transactions and commitments to third parties (4 questions)

3B6 Assess risk from end of life-cycle issues in the marketplace and establish proper risk mitigation contingency plans for all components in the product (5 questions)

3B7 Manage and control the storage/disposal of hazardous/regulated materials and related documentation (4 questions)

3B8 Comply with programs that prevent and respond to discrimination or harassment (4 questions)

Section C. Strategic Sourcing (37 questions)
3C1 Establish and execute strategic sourcing plans, in congruence with organizational objectives and sourcing strategies (7 questions)

3C2 Establish and standardize strategic sourcing procedures and business process improvements (6 questions)

3C3 Identify, evaluate, select and implement technologies that support supply management functions throughout the organization (6 questions)

3C4 Leverage spend through identification, prioritization, development and execution of strategies (7 questions)

3C5 Conduct analysis to determine insourcing or outsourcing strategy (6 questions)

3C6 Create new systems and process improvements to help the organization meet sales goals (5 questions)

Types of Questions in the Exams
All of the questions used on the CPSM Exam 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 of this type of question appearing on 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

Exam Process Levels
In addition to the variety of question formats previously described, the CPSM® 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. 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 problem presented in the question above is a novel situation, and rather than rely on memory or comprehension alone to answer it, the examinee is required to draw on knowledge and experience to identify the solution to the problem.

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

Applying for the CPSM Designation

Once you have passed the exams you must apply for your CPSM. Fill out the application in its entirety, add the three passing score reports from your exams, include work experience letters from your employer (we do not allow self-verification of work experience) and your regionally accredited Bachelor’s Degree or International equivalent and mail them to ISM, at the address documented on the application form.


CPSM Recertification

To recertify, CPSMs 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
  • Earn a new ISM designation (20 CEHs per passed Exam)
  • Retake CPSM Exam (but only in the last year of certification or during the one-year grace period)

ISM does not need to pre-approve CEHs for recertification. CEHs are counted hour-per-hour (lunches and breaks are not included) with a one-hour minimum. Please refer to your recertification application for additional details.

There is not a Lifetime status offered for the CPSM program so all designation holders must recertify every 3 years for their CPSM designation to remain current.

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You are permitted a one-year grace period that takes place if you allow your designation to lapse. During this timeframe you no longer hold the certification and cannot use the CPSM designation (this includes but is not limited to business cards and LinkedIn profiles). Your name will not appear under the verification section of the ISM website. Keep in mind that dates will appear on the certificate as if your recertification had been completed prior to the expiration of your previous certificate. At any time during your grace period, a recertification application can be submitted containing the required 60 CEHs for the previous period. Applications must be postmarked on or before the one year anniversary of your expiration date. Once the grace period has lapsed, the only way to reinstate your CPSM is to retake and pass all 3 CPSM exams and submit a new original CPSM application.

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Item #GL6

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