City University of Hong Kong

Information on a Course
**offered by the Department of Management Sciences
with effect from Semester B in 2014/ 2015**

Part I

Course Title: Strategic Sourcing and Procurement

Course Code: MS6323

Course Duration: One Semester

No. of Credit Units: 3

Level: P6

Medium of Instruction: English

Prerequisites: Nil

Precursors: Nil

Equivalent Courses: Nil

Exclusive Courses: Nil

Part II

Course Aims

This course aims to
1. provide students with concepts, principles and methods for strategic sourcing and purchasing, and implementation;

2. develop students' ability to perform strategic sourcing and purchasing;

3. provide students with global examples which reveal the practical challenges of today's sourcing and purchasing processes;

4. provide students with an understanding of the latest developments such as services buying, socially responsible purchasing and category sourcing strategies.

Course Intended Learning Outcomes (ILOs)

Upon successful completion of this course, students will be able to:

No.	ILOs	Weighting
1	Demonstrate competence in using appropriate frameworks in identifying supply needs and then determining the sourcing strategy. (Ability)	25%
2	Apply the concepts and metrics to evaluate potential vendors, and recommend the vendor selection. (Ability)	25%
3	Evaluate an existing vendor and conduct benchmarking analysis. (Ability)	25%
4	Solve case problems that arise from real-world situations. (Accomplishment)	25%

Teaching and Learning Activities (TLAs)

(Indicative of likely activities and tasks designed to facilitate students' achievement of the CILOs. Final details will be provided to students in their first week of attendance in this course)

CILO No.	TLAs	Hours/week (if applicable)
1-4	**1. Lecture** Concepts and frameworks for sourcing and procurement processes, and real world complexities are explained.	
1-4	**2. Class participation** Students are expected to attend all classes and be proactive in asking and answering questions originated from textbook material, additional reading materials, and cases.	
1-4	**3. Case Studies and Presentation** Students read company case information before coming to the class. During the class, they need to discuss the cases and come up with a team view. They have to present their findings and submit a report. They are required to share and present their answers to the class, on a rotating basis.	
1-4	**4.Group Project** Students propose a buy plan for a company, or write a white paper on a specific area.	

Constructive Alignment of ILOs and Teaching and Learning Activities

ILO	Teaching and Learning Activities			
	Lecture	Class participation	Case Studies and Presentation	Group Project
1	✓	✓	✓	✓
2	✓	✓	✓	✓
3	✓	✓	✓	✓
4	✓	✓	✓	✓

Assessment Tasks

(Indicative of likely activities and tasks designed to assess how well the students achieve the CILOs. Final details will be provided to students in their first week of attendance in this course)

CILO No.	Types of Assessment Tasks (ATs)	Assessment Details	Weighting (if applicable)
1- 4	**1.Case studies and Presentation**	Students work in groups to present an assigned or chosen case study or topical issue in class. They should demonstrate their in-depth understanding of the situations and identify problems facing the company or pertaining the implementation. Their presentation skills and relevant use of theory learnt are also evaluated, and so is the spirit of team work.	30%
1-4	**2.Group Project**	Product buy report or specialized area report. Students are asked to write an report on either an area specialization or a buying report.	20%
1-4	**3.Final Exam (2 hours)**	Examine students' understanding on basic and key concepts in procurement through multiple choice and short questions.	40%
1-4	**4.Class participation**	Students are anticipated to attend class regularly and participate in discussion	10%

Constructive Alignment of CILOs and Assessment Tasks

	AT 1	AT 2	AT 3	AT4
CILO 1	✓	✓	✓	✓
CILO 2	✓	✓	✓	✓
CILO 3	✓	✓	✓	✓
CILO 4	✓	✓		✓

<u>Grading of Student Achievement:</u>

Case Studies and Presentation

Letter Grade	Grade Point	Grade Definitions	
A+ A A-	4.3 4.0 3.7	Excellent:	Clearly and correctly states case situations and identify problems facing the company. Discusses issues critically. Good presentation skills. Strong evidence of relevant use of theory learnt. Strong evidence of team work.
B+ B B-	3.3 3.0 2.7	Good:	Clearly and correctly states some case situations and identify some problems facing the company. Discusses issues critically. Good presentation skills. Evidence of relevant use of theory learnt. Evidence of team work.
C+ C C-	2.3 2.0 1.7	Adequate:	Somehow correctly states some critical points and identify some problems facing the company. Good presentation skills. Evidence of familiarity of the case and team work.
D	1.0	Marginal:	States a few critical points and identify some problems facing the company. Evidence of some preparation for the case presentation and team work.
F	0.0	Failure:	Little evidence of understanding of the subject matter; weakness in critical and analytic skills. Lack of preparation and team work.

Final Exam

Letter Grade	Grade Point	Grade Definitions	
A+ A A-	4.3 4.0 3.7	Excellent:	Strong evidence of understanding the key concepts and definitions of the learned subject; capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.
B+ B B-	3.3 3.0 2.7	Good:	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.
C+ C C-	2.3 2.0 1.7	Adequate:	Student who is profiting from the university experience; understanding of the subject; ability to show some evidence of familiarity with literature.
D	1.0	Marginal:	Sufficient familiarity with the subject matter to enable the student to progress further.
F	0.0	Failure:	Little evidence of familiarity with the subject matter; limited or irrelevant use of literature.

Group Project

Letter Grade	Grade Point	Grade Definitions	
A+ A A-	4.3 4.0 3.7	Excellent:	Strong evidence of knowing how to apply the key concepts of sourcing and procurement in a real life setting. High engagement in the assigned activities and excellent presentation skills. Able to apply effective communication and reflective learning skills to pursue new knowledge and acquire new skills proactively to achieve lifelong learning and employability.
B+ B B-	3.3 3.0 2.7	Good:	Evidence of knowing how to apply the key concepts of to real life cases. Active participation and engagement in the assigned activities and good presentation skills. Able to apply good communication and reflective learning skills to pursue new knowledge and acquire new skills proactively to achieve lifelong learning and employability.
C+ C C-	2.3 2.0 1.7	Adequate:	Some evidence of knowing how to apply the key concepts to real life cases. Participation and engagement in the assigned activities and adequate presentation skills. Able to apply adequate communication and reflective learning skills to pursue new knowledge and acquire new skills to achieve lifelong learning and employability.
D	1.0	Marginal:	Sufficient familiarity with the subject matter to enable the student to progress without repeating the assessment. Low participation and engagement in the assigned activities and fair presentation skills. Able to apply marginal level of communication and reflective learning skills to pursue new knowledge and acquire new skills to achieve lifelong learning and employability.
F	0.0	Failure:	Little or no evidence of familiarity with the subject matter. No or low participation and engagement in the assigned activities and poor presentation skills. No evidence of demonstrating communication and reflective learning skills to pursue new knowledge and new skills to achieve lifelong learning and employability.

Class Participation

Letter Grade	Grade Point	Grade Definitions	
A+ A A-	4.3 4.0 3.7	Excellent:	Clearly and correctly states most critical points and important contributions of class topic. Discusses issues critically and right to the point.
B+ B B-	3.3 3.0 2.7	Good:	Clearly and correctly states some critical points and important contributions of the class topics. Discusses issues critically.
C+ C C-	2.3 2.0 1.7	Adequate:	Clearly and correctly states some critical points and contributions of the class topics
D	1.0	Marginal:	States a few critical points and contributions of the class topics
F	0.0	Failure:	Little or no evidence of contributions of the class topics.

Part III

Keyword Syllabus:

Introduction to and Evolution of Purchasing Function

Changing views of the purchasing function. The importance of purchasing to profitability – the DuPont Model. Purchasing in the context of Supply Chain Management. Centralized vs. decentralized management of purchasing. Check and balance in procurement.

Strategic Sourcing

Strategic sourcing process-a continuous improvement tool for purchasing, forming sourcing strategy, Minicase.

Sourcing in the Global Context

Complexity of global sourcing, Challenging issues in international trade and logistics; Tactical and strategic sourcing. Sourcing process. Analysis of supply market. Competitive strategy. Sourcing information.

Strategic Outsourcing
Core competences. Levels of strategy in the organisation. Supplier relationship management (SRM). Strategic Outsourcing and Procurement. Make or buy decisions. Outsourcing vs offshoring. Outsourcing vs subcontracting.

Dual Sourcing
Mexico or China, a class simulation game and also a mini-case to demonstrate the production/purchasing allocation issues in dual sourcing.

Competitive Bidding and Negotiation
Use of competitive bidding to select supplier. Auctions. Cost estimation and mark-up strategy. Evaluating bids. Two-envelop bidding system. Stages of negotiation. Strategies of negotiation. Support tools for negotiation like price/cost analysis and learning curve.

Vendor Selection and Management

Metrics for supplier selections. Developing suppliers' capability and improving supplier performances.

Supplier Relationship Management and Development

Systematic way to manage a portfolio of suppliers, supply chain power issue.

E-procurement

IT as a means of reducing transactions costs in the supply chain. Integrated information systems internal and external networks, including electronic data interchange (EDI) and e-sourcing.

Supply Analytics

Analyize suppliers' cost structures and construct suitable quotes.

Contracting and Legal Issues

Legal aspect of procurement contract.

Recommended Reading:

1. Purchasing and Supply Chain Management, 3rd edition, W.C. Benton, Jr. [Z&B] (required)
2. Supply Management, 8th edition, D. Burt, S. Petcavage, and R. Pinkerton, McGraw-Hill (optional)
3. Sourcing and Supply Chain Management, 5th edition, Handfield, Monczka, Giunipero, Patterson (optional) — HMG