

**City University of Hong Kong**  
**Course Syllabus**

**offered by Department of Management Sciences**  
**with effect from Semester A 2016 / 17**

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**Part I Course Overview**

<b>Course Title:</b>	Procurement and Strategic Sourcing
<b>Course Code:</b>	MS4506
<b>Course Duration:</b>	One Semester
<b>Credit Units:</b>	3
<b>Level:</b>	B4
<b>Proposed Area:</b> <i>(for GE courses only)</i>	<input type="checkbox"/> Arts and Humanities <input type="checkbox"/> Study of Societies, Social and Business Organisations <input type="checkbox"/> Science and Technology
<b>Medium of Instruction:</b>	English
<b>Medium of Assessment:</b>	English
<b>Prerequisites:</b> <i>(Course Code and Title)</i>	CB2201 Operations Management CB2101 Introduction to Managerial Accounting MS3124 Global Supply Chain Management
<b>Precursors:</b> <i>(Course Code and Title)</i>	Nil
<b>Equivalent Courses:</b> <i>(Course Code and Title)</i>	Nil
<b>Exclusive Courses:</b> <i>(Course Code and Title)</i>	Nil

## Part II Course Details

### 1. Abstract

(A 150-word description about the course)

Costs associated with purchasing materials often account for as much as 80% of the final product cost. This means that even a small decrease in these costs can have a significant impact on the bottom line. Procurement involves a constant tension between decreasing costs and establishing cooperative relationships. Throughout this course we will be grappling with these two opposing forces. We will be examining competitive and cooperative situations in a variety of supply chain settings in which performance depends on the interactions between a variety of decision makers, including customers, suppliers, competitors, and government regulators.

### 2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting* (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Demonstrate competence in using appropriate frameworks in identifying supply needs and then determining the sourcing strategy.	25%		✓	
2.	Apply the concepts and metrics to evaluate potential vendors, and recommend the vendor selection.	25%		✓	
3.	Evaluate an existing vendor and conduct benchmarking analysis.	25%		✓	
4.	Solve case problems that arise from real-world situations.	25%			✓
		100%			

\* If weighting is assigned to CILOs, they should add up to 100%.

A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to self-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

### 3. Teaching and Learning Activities (TLAs)

(TLAs designed to facilitate students' achievement of the CILOs.)

TLA	Brief Description	CILO No.				Hours/week (if applicable)
		1	2	3	4	
Lecture	Concepts and general knowledge on procurement and sourcing are explained.	✓	✓	✓	✓	
Class	Students work in a group of four	✓	✓	✓	✓	

Discussion	to six to recap and answer questions of the major topics that they learned on the previous lecture. They are required to share and present their answers to the class.					
Reading Assignments	Students have to read the assigned materials individually and are required to discuss, evaluate, and comment on the concepts and knowledge	✓	✓	✓	✓	
Case Studies	Students have to read the company case information before coming to class. During the class, they need to discuss with their team members to analyse the case.	✓	✓	✓	✓	

#### 4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.				Weighting *	Remarks
	1	2	3	4		
Continuous Assessment: <u>55</u> %						
Class Participation/Case Analysis	✓	✓	✓	✓	30%	
Mid-term Test	✓	✓	✓	✓	25%	
Examination: <u>45</u> % (duration: 2 hours , if applicable)						
* The weightings should add up to 100%.					100%	

## 5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1. Class participation/case analysis		Clearly and correctly state most critical points and important contributions of the assigned exercises and activities. Discuss issues critically. Draw significant and relevant implications to transportation environments. Good presentation skills. Strong evidence of familiarity with literature.	Clearly and correctly state some critical points and important contributions of the assigned exercises and activities. Discuss issues critically. Draw some relevant implications to transportation environments. Good presentation skills.	Clearly and correctly state some critical points and contributions of the assigned exercises and activities.	State a few critical points and contributions of the assigned exercises and activities.	Little or no evidence of contributions of the assigned exercises and activities.
2. Mid-term Test		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.	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.	Student who is profiting from the university experience; understanding of the subject; ability to show some evidence of familiarity with literature.	Sufficient familiarity with the subject matter to enable the student to progress further.	Little evidence of familiarity with the subject matter; limited or irrelevant use of literature.
3. Written Examination		Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.	Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.	Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.	Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited or irrelevant use of literature.

### **Part III Other Information** (more details can be provided separately in the teaching plan)

#### **1. Keyword Syllabus**

*(An indication of the key topics of the course.)*

##### 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

##### Strategic outsourcing

Core competences. Levels of strategy in the organisation. Make or buy decisions. Outsourcing vs offshoring. Outsourcing vs subcontracting.

##### Pricing/Cost Analysis

Cost estimation and mark-up strategy. Support tools for negotiation like price/cost analysis and learning curve. Analyze suppliers' cost structures and construct suitable quotes.

##### Competitive Bidding and Negotiation

Use of competitive bidding to select supplier. Auctions Stages of negotiation. Strategies of negotiation.

##### Supplier 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.

##### Contracting and legal issues

Legal aspect of procurement contract.

## **2. Reading List**

### **2.1 Compulsory Readings**

*(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)*

1.	Supply Management, 8th edition, D. Burt, S. Petcavage, and R. Pinkerton, McGraw-Hill
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### **2.2 Additional Readings**

*(Additional references for students to learn to expand their knowledge about the subject.)*

1.	Purchasing and Supply Management, 5th edition, Johnson/Flynn, McGraw-Hill
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