

**BA 130**  
**Purchasing and Supply Chain Management, Spring 2006**  
**Instructor: Robert Judge**

Wednesdays 6:30 – 9:20 PM  
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Textbook: Monczka, Trent and Handfield. Purchasing and Supply Chain Management, Third Edition, (Thomson Southwestern, 2005)

**Course Description:** Introduction to the basic principles in purchasing and supply chain management, relationship management, application of processes, inventory management, source selection, obtaining and evaluating offers, buying techniques, contract writing and legal topics.

**Objectives:**

- a. Develop understanding of Purchasing & Supply Chain concepts and vocabulary
- b. Understand how Purchasing & Supply Chain efforts must align with corporate goals and how they evolve over time.
- c. Demonstrate basic skills with tools and knowledge of:
  - i. Strengths and weaknesses
  - ii. When to use tool
  - iii. Alternate tools
- d. Understand implementation and integration strategy and issues

**2. Weekly Class Objectives:** 1) Concept/Vocabulary review, 2) Lecture on topic theory, 3) Hands-on walkthrough of relevant problem.

**3. Topics:**

Week	Topic	Chapter
1 1/18	<p><b>Introduction to Purchasing and Supply Chain Mgmt.</b></p> <p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>1) Review Syllabus</li> <li>2) Clarify why Purchasing is important?</li> <li>3) Understand the new competitive environment</li> <li>4) Understand what Supply chains and Value chains are</li> <li>5) Identify the enablers of Purchasing and Supply Chain Mgmt.</li> </ul> <p><b>Class Activities:</b></p> <ul style="list-style-type: none"> <li>1) Lecture</li> </ul> <p><b>For next week:</b></p> <ul style="list-style-type: none"> <li>1) Read chapter 2</li> <li>2) Read GM Case Study – Posted on Blackboard</li> </ul>	1

Week	Topic	Chapter
2 1/25	<p><b>The Purchasing Process</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Identify Purchasing objectives</li> <li>2) Clarify the responsibilities of Purchasing</li> <li>3) Review how E-Procurement is used in the purchase process</li> <li>4) Define the categories of purchased products</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> <li>2) Discuss GM Case Study</li> </ol> <p>1) <b>For next week:</b> Read chapter 3</p>	2
3 2/1	<p><b>Purchasing Policy and Procedures</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Overview of need for policies and procedures</li> <li>2) Types of Policies</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> </ol> <p><b>For next week:</b> Read chapter 4</p>	3
4 2/8	<p><b>Purchasing integration for Competitive Advantage</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Clarify how Purchasing integrates with organizations</li> <li>2) What are Purchasing external linkages?</li> <li>3) Why is cross sourcing beneficial?</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> </ol> <p><b>For next week:</b></p> <ol style="list-style-type: none"> <li>1) Read chapter 6</li> <li>2) Read Case Study (p. 703): Integrating with Customers and Suppliers During Product and Process Development</li> </ol>	4
5 2/15	<p><b>Purchasing and Commodity strategy Development</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Understand how Purchasing is linked to Corporate Strategy</li> <li>2) Conceptualize how goals and objectives are tied together</li> <li>3) Identify the types of Purchasing strategies</li> <li>4) The Insourcing/Outsourcing decision process</li> <li>5) Evolving Sourcing strategies</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> <li>2) Discuss Case Study: Integrating with Customers and Suppliers During Product and Process Development</li> </ol> <p><b>For next week:</b> Read chapter 7</p>	6

Week	Topic	Chapter
	<b>Quiz #1 (10%)</b>	
6 2/22	<p><b>Supplier Evaluation and Selection</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Understand the process of evaluating suppliers</li> <li>2) Criteria used in selecting suppliers</li> <li>3) How to develop a supplier evaluation survey</li> <li>4) Understand the issues associated with critical suppliers</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> </ol> <p><b>For next week:</b></p> <ol style="list-style-type: none"> <li>1) <b>SPRING BREAK</b></li> <li>2) Read chapter 8</li> <li>3) Read case study (p.705): Managing Supplier Quality – Electronic Systems</li> </ol>	7
7 3/1	<p><b>Supplier Quality Management</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Understand what is Supplier Quality Management.</li> <li>2) What is TQM and how does it work in Supplier Mgmt.</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> <li>2) Discuss case study: Managing Supplier Quality – Electronic Systems</li> </ol> <p><b>For next week:</b></p> <ol style="list-style-type: none"> <li>1) Read chapter 9</li> <li>2) <b>FIRST PAPER DUE NEXT WEEK</b></li> </ol>	8
8 3/8	<p><b>Creating a World-Class Supply Base</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Why is supplier performance measurement important</li> <li>2) Using performance measurement to optimize supply base</li> <li>3) How to overcome barriers to supplier development</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> </ol> <p><b>For next week:</b> Read Chapter 10</p>	9
	<b>MIDTERM (30%)</b>	
9 3/15	<p><b>Worldwide Sourcing</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Why source worldwide</li> <li>2) What are the barriers to success</li> <li>3) Future sourcing trends</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> </ol>	10

Week	Topic	Chapter
	<b>For next week:</b> Read chapter 13	
10 3/29	<p><b>Negotiation</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) What is negotiation</li> <li>2) Creating a framework for understanding negotiation</li> <li>3) Planning a negotiation</li> <li>4) Negotiation tactics</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> </ol> <p><b>For next week:</b></p> <ol style="list-style-type: none"> <li>1) Read chapter 14</li> <li>2) Read case study (p.708): Negotiation - Porto</li> </ol>	13
	<b>Quiz #2 (10%)</b>	
11 4/5	<p><b>Contract Management</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) What are the types of contracts</li> <li>2) Benefits and risks of long-term contracts</li> <li>3) Non-traditional contracting</li> <li>4) Settling contractual disputes</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> <li>2) Discuss case study: Negotiation - Porto</li> </ol> <p><b>For next week:</b> Read chapter 15</p>	14
12 4/12	<p><b>Purchasing Law and Ethics</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Legal authority and personal liability</li> <li>2) Purchasing ethics</li> <li>3) Contract law</li> <li>4) The Uniform Commercial Code</li> <li>5) Patents and Intellectual Property</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> </ol> <p><b>For next week:</b> Read chapter 16</p>	15
13 4/19	<p><b>Managing Supply Chain Inventory</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Understand the types of supply chain inventories and costs</li> <li>2) What are the right reasons and wrong reasons for inventory</li> <li>3) Managing the inventory investment</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> </ol> <p><b>For next week:</b> Read chapter 17</p>	16

Week	Topic	Chapter
14 4/26	<p><b>Purchasing services</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Overview of managing transportation of goods</li> <li>2) Criteria for outsourcing to 3PL companies</li> <li>3) When and how to outsource professional services</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> </ol> <p><b>For next week:</b></p> <ol style="list-style-type: none"> <li>1) Read chapter 18</li> <li>2) <b>SECOND PAPER DUE NEXT WEEK</b></li> </ol>	17
15 5/3	<p><b>Information Systems and Electronic Commerce</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Overview of the E-Supply Chain</li> <li>2) Drivers of new supply chain systems and applications</li> <li>3) ERP</li> <li>4) Purchasing Databases and Data Warehouses</li> <li>5) E-sourcing</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> </ol> <p>For next week: Read chapter 19</p>	18
16 5/10	<p><b>Performance Measurement and Evaluation</b></p> <p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Why measure performance and why is it hard to do</li> <li>2) Measurement categories – what behaviors do you want</li> <li>3) Developing a measurement system</li> <li>4) Benchmarking</li> </ol> <p><b>Class Activities:</b></p> <ol style="list-style-type: none"> <li>1) Lecture</li> <li>2) Review for Final</li> </ol> <p>For next week: <b>Final</b></p>	19
5/17	<b>FINAL (30%)</b>	

### Other reading sources:

Robert B. Handfield and Ernest L. Nichols, Jr., Introduction to Supply Chain Management, Prentice Hall, 1999

David Simchi-Levi, Philip Kaminsky, and Edith Simchi-Levi, Designing and Managing the Supply Chain: Concepts, Strategies, and Case Studies, McGraw-Hill Irwin, 2<sup>nd</sup> edition, 2003

Burt, Dobler and Starling. World Class Supply Management. McGraw-Hill Irwin, 7<sup>th</sup> edition, 2003

## Class Outline

- **Attendance**
  - Highly encouraged: class discussion will definitely cover material not included in book. I will indicate key sections of chapters in book to study for class.
  - **Read chapters prior to class**, participation is encouraged.
  - Be on time.
  - All materials and the quizzes will be on Blackboard. I highly recommend reviewing the posted material prior to class and making a copy to bring to class – it makes note taking much easier and effective.
  - \*\*\* Participation may make the difference for students on a grade break border (i.e. the difference between a C+ and a B-)
- **Exams/quizzes**
  - There will be two Quizzes (10% each) on Blackboard to reinforce learning and prepare for Midterm and Final.
  - There will be a Mid-term and a Final. Each will represent approx. 30% of the grade in the class. The Final covers only material since the mid-term.
  - Mix of questions
    - Multiple choice/ True and False
    - Essay
    - Problem set-up
- **Papers**
  - Two short papers (5-8 pages double spaced, Font: Times New Roman, size 11). Subject for papers may be from any chapter in text. Include at least 3 references in your research – can be Internet references. I suggest researching using Google Scholar. **DO SPELLING and GRAMMAR CHECK.**
  - **Points deducted for everyday project turned in late.**
- **Class Structure**
  - Lecture
  - Discussion/class participation/Videos
  - Guest lectures by practitioners ???
- **Evaluation:** Grade based on total points – Curved relative to others in class

Item	Weight
Quizzes (2)	10% each
Midterm	30%
Papers (2)	10% each
Final	30%

