Course Information  
Spring 2015 
Purchasing Strategy  
Business Management 4262

<table>
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<tr>
<th>Lecturer</th>
<th>Jim Clowes</th>
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<tr>
<td>OSU Office</td>
<td>046 Fisher Hall</td>
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<tr>
<td>Cell Phone</td>
<td>(614) 949-2371</td>
</tr>
<tr>
<td>Email Address</td>
<td><a href="mailto:clowes.4@osu.edu">clowes.4@osu.edu</a></td>
</tr>
<tr>
<td>OSU Office Hours</td>
<td>By Appointment</td>
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<tr>
<td>Class</td>
<td>Tuesday &amp; Thursday, 9:35 am – 10:55 am</td>
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<tr>
<td>Classroom</td>
<td>Schoenbaum 209</td>
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Resource Materials:


Supplemental Course Materials will include articles and cases. There is NOT a Supplemental Course Packet to purchase at UniPrint.

It is a requirement to download cases from the McGraw Hill site [http://highered.mheducation.com/sites/0073381454/information_center_view0/index.htm](http://highered.mheducation.com/sites/0073381454/information_center_view0/index.htm) (click Student Edition) to prepare for lectures, case analysis and the exams. There may be additional articles, defined materials or key websites described or made available in Carmen or a handout during the semester to further supplement these materials. (Refer to Course syllabus for specific cases.)

Course Objectives:

The class will focus on the key supply management strategies, objectives, processes, tools and learning how to integrate them into overall business strategies. A manufacturing, service or institutional organization must integrate its supply management strategy and processes with it overall mission and vision if it’s to be a “leading-edge” and “world-class” organization. If you are operations major, the materials in this course are critical, as the typical firm spends over 50% of their revenue on purchased goods and services. Finance and accounting majors will benefit, as the cost of materials and services affects ROI. If you are a marketing or engineering major, this course is a fine opportunity to better understand the sourcing/purchasing functions and learn how to participate in the procurement process and realize favorable financial impact. If you intend to pursue a career in sourcing/procurement, this class will provide some critical leadership perspectives and understanding for success. Finally, with increasing global
competition the role of strategic/purchasing will be very useful for general management preparation.

**General Goals:**

1. Understand the overall sourcing/purchasing strategy, methodology and emphasis in a firm.
2. Gaining an understanding of today’s competitive and global environment.
3. Developing essential oral and written communication and relationship skills.

**Specific Objectives:**

1. Assist students in developing a framework for relating strategic materials management and purchasing concepts to other functional areas or the organization.
2. Provide students with an understanding of key supply management strategies, tools and issues to aid in analysis and decision-making.
3. Provide students with an opportunity to develop critical thinking, problem solving and communication skills through interaction and evaluation of case studies and team projects.

**Course Requirements:**

To successfully complete the course the student will need to:

1. **Prepare for each session and attend class** to get the full benefit of the reviewed and discussed materials. Everyone in the class is expected to complete all of the assignments for each session on the class schedule/syllabus.
2. **Complete assigned reading before class** sessions to get the full background and understanding of the class discussions.
3. **Make quality contributions to class discussions, group activities and the final team project.**
4. **Meet identified deadlines:** turn in case studies and final project when they are due.
5. **Follow current related business and economic events and developments.** As time permits (optional) read professional periodicals e.g. The Wall Street Journal, Fortune, Business Week, etc.
Course Grading:

Course Grading Summary

<table>
<thead>
<tr>
<th>Metric</th>
<th>Grading Area</th>
<th>Percent of Total</th>
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<tbody>
<tr>
<td>1</td>
<td>Individual Class Participation</td>
<td>10%</td>
</tr>
<tr>
<td>2</td>
<td>Team Case Analysis</td>
<td>20%</td>
</tr>
<tr>
<td>3</td>
<td>Mid-term Exam</td>
<td>25%</td>
</tr>
<tr>
<td>4</td>
<td>Team Project</td>
<td>20%</td>
</tr>
<tr>
<td>5</td>
<td>Final Exam</td>
<td>25%</td>
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<tr>
<td></td>
<td>Total</td>
<td>100%</td>
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Please Note: Peer Evaluations will count for 10% of the Team Case Analysis and Team Project grades. Please see Exhibit A, for an example of how the Peer Evaluation will be completed. These evaluations are to be provided to the Lecturer at the class after the team presentations are completed.

1. Individual Class Participation

   - Students will make formal and informal contributions to class discussions, team activities and final project presentations.
   - Students should be prepared for responding to class questions, comments and observations about the class reading materials and current events.
   - The class Lecturer will determine a participation grade at the end of the semester for each student. (Attendance will impact your participation grade.)

2. Team Case Study Analysis – SWOT

   - Teams of 5-7 students will prepare (1) team write-ups of their cases as scheduled on the class syllabus, Team Case Study Presentation and Evaluation I/II. Identify which five cases your team would like to write-up and present, in order of preference by January 29th. One case/team of the five will be assigned to your team. One team per case.

The above cases are available on the McGraw Hill site [http://highered.mheducation.com/sites/0073381454/information_center_view0/index.htm](http://highered.mheducation.com/sites/0073381454/information_center_view0/index.htm) (click Student Edition) and are to be submitted as a Word and PowerPoint document both printed and electronically. You must submit a printed copy of your PowerPoint presentation (Print as a handout, 3 slides per page.) This must be provided to the lecturer just before your team presentation. Support your SWOT analysis and propositions with references, documentation, research, past cases, etc.
### SWOT & Case Analysis Format

Structure the case analysis with major headings using the SWOT format model.

<table>
<thead>
<tr>
<th>Section</th>
<th>Includes:</th>
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<tbody>
<tr>
<td><strong>Overview</strong></td>
<td>1. Organization name and basic information (sales, revenue, etc.) &lt;br&gt;2. Current Situation (facts given in the case and perhaps elsewhere) &lt;br&gt;3. Any assumptions and limitations</td>
</tr>
<tr>
<td><strong>Recommendations/Action Plans</strong></td>
<td>1. Evaluation of alternatives-solutions/action plans. This step requires matching alternatives to criteria and giving support from the literature, text, case material, your experiences and any original research. &lt;br&gt;2. Recommendation. You must take a position. Do not write “there is insufficient information given in the case.” There is always insufficient information in real life.</td>
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<tr>
<td>Answer each question from the case</td>
<td>1. Reason/Criteria for your answers</td>
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Most of the cases are reasonable in terms of content, but avoid simplistic answers, suggestions and recommendations without adequate support and rationale. Analyze the case data, especially tables, numbers, and situations provided. Your team will be called upon to present your case to the entire class via PowerPoint. The length of each case will vary according to the nature of the individual case, but will usually be approximately two typewritten pages, excluding exhibits.

### 3. Team Research Project – (use same Guidelines with SWOT Format)

The purpose of the company/industry team research report and presentation is to analyze current issues involving the Strategic Sourcing/Supply Management/Purchasing function. A successful research project should involve data analysis. In is not enough to write submit your Team Research Project based on information from various Internet sites. A minimum of 2 companies need to be contacted, interviewed and included in your paper. The interviews need to include identifying those contacted within the leadership team of the Purchasing
function. The team presentations will be made during the last month of the semester.

Format for the Team Project submission:

1. **Length**: 8-15 pages with PowerPoint team presentation. (PowerPoint should be printed as a handout, 3 slides per page.) Print your paper as a Word document and provide it to the Lecturer before the presentation (in hard and soft copy).
2. **Style**: Strive for clear concepts, a readable document and good team presentation.

Interviews with Sourcing/Purchasing Executives:

Representative Project Topics:

- The Role of Top Management in Purchasing Strategy….e.g., Include: How do they insure progress on strategy?
- Supply Chain Management and Strategy – Ensure that you include key processes and how they are monitored and measured.
- The impact of new technology on Purchasing Strategy (e.g., ERP and Supply Chain Management, etc.)
- An Analysis of Effective Communications on Purchasing Strategy
- The Economic Implications of Purchasing Strategy
- Barriers to Effective Strategic Sourcing in Organizations
- Implications of Outsourcing the Purchasing Function
- The Advantages and Disadvantages of Offshore Sourcing
- Measuring Supply Performance and driving improvements
- Effective Implementation of Purchasing Strategy and Results achieved
- Methods of Qualifying New Suppliers
- Implementing Process Improvement in the Procurement function
- Team defined topic Example: Supply Chain Improvement Programs and Results

The team project allows students an opportunity to explore a particular area of interest in greater depth. Maximum of 1 team per business/company/organization. A one-page topic proposal is to be submitted to the class on or before February 17th. Teams will be asked to present a high-level approach to their topic to the class and must include the names of the organization(s) that you will include/pursue.

**Extra credit opportunities may be offered to improve overall class grades. Details will be outlined in class, and posted in Carmen.**
Academic Misconduct: Material submitted for course grade must adhere to professional and ethical behaviors and be your own work (if it is an individual-based assignment) or the work of your team (if it is a group-based assignment). If outside references are used they must be properly referenced. Please be informed that both you and I must follow Faculty Rule 3335-5-54, which requires that “all instances of what he or she believes may be academic misconduct” be reported to the University Academic Misconduct Committee. Academic misconduct is a serious threat to the integrity and value of your diploma.
### Class Syllabus
#### Spring 2015
**Purchasing Strategy**  
**Business Management 4262**  
Jim Clowes

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
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| Tuesday, Jan 13 | **Introductions and Overview of Course**  
Lecturer’s Experience & Resume  
Student Expectations; Team Assignments; Project Instructions  
Introduction to Supply Management Framework & Case Analysis  
Class Sessions, Topics and Themes. Note: There may be additional guest speakers and articles/classes provided during the semester to supplement the text book and course materials.  
**Text Book:** *Supply Management; Burt, Petcavage, Pinkerton  
Eighth Edition*; Read Pages 1-3; The Foundation |
| Thursday, Jan 15 | **Supply Management – Chapter 1**  
Read Chapter 1 – Progression to Professional Supply Management  
Read Case/Discuss: Eagle Machine Company |
| Tuesday, Jan 20 | **Supply Management – Chapter 2&3**  
Read Chapter 2 – Organizational Issues  
Read Chapter 3 – Supply Management: An Organization Spanning Activity |
| Thursday, Jan 22 | **Supply Management – Chapter 4**  
Read Chapter 4 – A Portfolio of Relationships  
Read Case/Evaluate/Discuss: Florida Retail Company |
| Tuesday, Jan 27 | **Supply Management – Chapter 5**  
Read Chapter 5 – New Product Development  
Read Case/Evaluate/Discuss: Hy Tech |
| Thursday, Jan 29* | **Supply Management – Chapter 6**  
Read Chapter 6 – Purchasing Descriptions & Specifications  
Read Case/Evaluate/Discuss: Gotham City Buys Fire Engines |
| Tuesday, Feb 3 | **Supply Management – Chapter 7**  
Read Chapter 7 – Managing for Quality |
| Thursday, Feb 5 | **Supply Management – Chapter 8**  
Read Chapter 8 – The Procurement of Equipment  
Read Case/Evaluate/Discuss: Capital Equipment Supply Management |
| Tuesday, Feb 10 | **Team Case Study Presentations and Evaluations I**  
Team to present Case Study to Class  
Classmates to Evaluate Team Case and Case Presentations |
| Thursday, Feb 12 | **Team Case Study Presentations and Evaluations II**  
Team to present Case Study to Class  
Classmates to Evaluate Team Case and Case Presentations |
| Tuesday, Feb 17* | **Supply Management – Chapters 9&10**  
Read Chapter 9 – Purchasing Services |
Read Chapter 10 - Outsourcing

**Thursday, Feb 19**  
**Supply Management – Chapter 11**  
Read Chapter 11 – Sourcing

**Tuesday, Feb 24**  
**Supply Management – Chapter 12**  
Read Chapter 12 – Global Supply Management

**Thursday, Feb 26**  
**Supply Management – Chapter 13**  
Read Chapter 13 – Total Cost of Ownership

**Tuesday, Mar 3**  
**Mid-Term Exam**

**Thursday, Mar 5**  
**Supply Management – Chapter 14**  
Read Chapter 14 – Price and Cost Analysis

**Tuesday, Mar 10**  
**Supply Management – Chapter 15**  
Read Chapter 15 – Methods of Compensation

**Thursday, Mar 12**  
**Supply Management – Chapter 16**  
Read Chapter 16 - Negotiation

**Tuesday, Mar 17**  
**Spring Break**  
No Class Scheduled

**Thursday, Mar 19**  
**Spring Break**  
No Class Scheduled

**Tuesday, Mar 24**  
**Supply Management – Chapter 17**  
Read Chapter 17 – Contract Formation and Legal Issues

**Thursday, Mar 26**  
**Supply Management – Chapter 18**  
Read Chapter 18 – Contract and Relationship Management  
Read Case/Evaluate/Discuss: World-Wide Industries

**Tuesday, Mar 31**  
**Supply Management – Chapter 19**  
Read Chapter 19 – Ethics and Social Responsibilities

**Thursday, Apr 2**  
**Supply Management – Chapter 20**  
Read Chapter 20 – Production and Inventory Control

**Tuesday, Apr 7**  
**Supply Management – Chapter 21**  
Read Chapter 21 – Demand Management and Logistics

**Thursday, Apr 9**  
**Supply Management – Chapter 22**  
Read Chapter 22 – Implementing Value Network Management

**Tuesday, Apr 14**  
**Team Project Presentations and Class Project Feedback: Part I**  
Team to present Interview Results & Project Research to Class  
Classmates to evaluate Team Research and Project Presentations

**Thursday, Apr 16**  
**Team Project Presentations and Class Project Feedback: Part II**  
Team to present Interview Results & Project Research to Class  
Classmates to evaluate Team Research and Project Presentations

**Tuesday, Apr 21**  
**Supply Management Overview and Wrap-up**  
Review Key Concepts presented in Class

**Thursday, Apr 23**  
**Supply Management Overview and Wrap-up**  
Review Key Concepts presented in Class  
Identify Final Exam Focus and Emphasis

**Apr 28 & 30**  
**No Class Scheduled**

**Monday, May 4**  
**Final Exam – 8:00-9:45AM**

* Case Study & Team Project Selection/Identification Deadline
Exhibit A

Peer Evaluation

Your Name: 

Team # 

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<thead>
<tr>
<th>Scoring Criteria</th>
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<tr>
<td>1</td>
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<td>Did not meet Expectations</td>
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<table>
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<tr>
<th>Team Member Scores</th>
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<tr>
<td>(including yourself)</td>
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<table>
<thead>
<tr>
<th>Name</th>
<th>Quality of Effort</th>
<th>Quantity of Effort</th>
<th>Working Relationships</th>
<th>Timeliness</th>
<th>Total</th>
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Comments: 

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