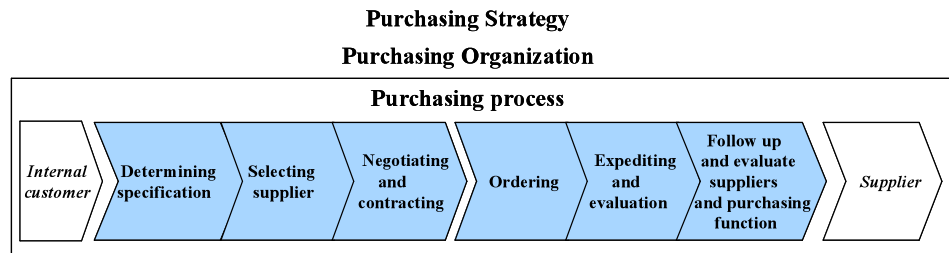


LSMS2034 SUPPLY CHAIN PROCUREMENT

LANGUAGE	English
SEMESTER	Fall 2008
ASSESSMENT	Final examination are given after a passed written examination and passed assignments (>10/20). The final grade is based on the weighted average of the written individual examination (60%) and assignments 1, 2 and 3 (40%). Assignment 1 and 2 are graded Failed or Passed. A failed assignment must be complemented. If a person fails on both assignments 1 and 2, no points are awarded for assignment 3. Partial credit for passed assignments are given during the second session only, no carry forward for later sessions.
PREREQUISITES	Courses in microeconomics, operations management and industrial organization.
ORGANIZATION	Lectures 30 h (14 x 2 h) English : Wednesdays (see detailed schedule) Classroom LECL60
INSTRUCTOR	Assoc. Professor Andreas NORRMAN, andreas.norrman@tlog.lth.se Office UCL/IAG B
ASSISTANT	Hakan UMIT, UCL/IAG/POMS, hakan.umat@uclouvain.be .
BACKGROUND	Purchasing is probably the company function which role has changed most during the last years. From being an administrative support function to the factory, purchasing has got, and will increasingly get, a more strategic role. The current role as coordinator and integrator of the company's internal and external resources has changed the image of the purchaser from being a material manager to a strategy oriented businessman. In fact, the purchasing function in a modern company has a very broad influence on different departments along the material flow – from research & development, engineering, manufacturing, logistics, finance, marketing etc. This cross-functional role suits Master in SCM very well, and this course should give a platform for a future career within purchasing and sourcing.
COURSE FOCUS	<p>The purpose of the course is to provide a general understanding of issues related to industrial purchasing and supply management; to introduce a number of important theories, terminology and methods for purchasing; to identify, describe and analyse different parts of a company's purchasing function and their supplier relationships; and to stimulate both the students' critical analysis and their long-term interest in purchasing issues. Related to this, the students will practise their skills in some purchasing oriented activities.</p> <p>After finalizing the course you are not a "professional purchaser" – to reach this capability you need a lot of practical experience. But the course should, together with your other courses in the program, provide a platform for a first job at a purchasing department and for a future good career within purchasing.</p>
TEACHING METHODS	A major part of the course consists of lectures related to the literature and some guest lecture from industry. In addition, case discussion, negotiating games and home assignments are provided. A very important part of the

course is a group assignment, with the purpose that you should describe and analyse a company's purchasing function. The "purchasing process" (see below) is the main theme for the course.



COURSE TEXT

Van Weele, A.J (2005) "Purchasing and Supply Chain Management. Analysis, Strategy, Planning and Practice", Thomson, ISBN 1-84480-024-5
Patton, Bruce, Ury, William, Fisher, Roger (1991) "Getting to Yes: Negotiating Agreement Without Giving in", Penguin Books, ISBN 9780140157352

PARTICIPATION

Given the condensed format for the class, participation at all courses, presentations, debriefings and games is mandatory.

ASSIGNMENTS

Four mandatory assignment are described below.

ARTICLES

To be handed out or distributed through the iCampus website.

WEBSITE

Notes, slides, questions to cases, datafiles and certain articles above are available from [iCampus](#) under the course LSMS2034 heading.

Lecture Plan

	Module 1	Module 2	Module 3	Module 4	Module 5
<i>Time</i>	24 September 2008	15 October 2008	05 November 2008	19 November 2008	10 December 2008
10.45 - 12.45	Introduction	Purchasing and product development	Purchasing organisation and measurement Supplier evaluation - AHP	Negotiation game	Presentation of Company study
14.00 - 16.00	Assignments, practical details The purchasing process	Case discussion RFI/RFQ	Negotiation	Negotiation game	Presentation of Company study
16.15 - 18.15	Purchasing strategy	Supplier evaluation		E-purchasing - Guest lecturer	Purchasing ethics, Summing up
Literature	vW 1-3, 5, 9	vW 11, 4,6,15 Wynstra et al (2001) Kendt et al (1992) Nydick et al (1992) Newman et al (1995)	vW 13, 14, 16 Fisher & Ury	vW 10 Fisher & Ury	vW 16
Work		Case reading and small report	Solve AHP-assignment Prepare company study Interview company week 44-47	Prepare Negotian game Map and analyse company	Write report Prepare presentation Prepare discussion of other report
Deadlines		Case report 8 October		Negotiation preparation 13 November	Company study 2 December

Most lectures will be given by associate professor Andreas Norrman. The lecture regarding E-purchasing will be given by a guest lecturer from industry.

Course Modules

Each assignment, and the Company study, will be more detailed in separate descriptions. Those will be handed out at course introduction, and also published at the course's web-site. Below follows a short description of each assignment.

ASSIGNMENT 1 – WEST BAY INDUSTRIES

A1

TASK	To get and analyse a supplier's cost data is crucial for a purchaser. The case "West Bay Industries (D)" introduces you to this. You should prepare the case-discussion at 24th October by reading through the case and in a team of 4 students prepare a comparison of the different suppliers. The team should sum up their analysis in a very short report, and also be prepared to present their approach and results orally for the class. The report should be submitted to iCampus (A1) by deadline.
DEADLINE	Wednesday 08/10/2008 at 09:00
READING	SC 1 – 3. At the session also other cases will be discussed, but those will be handed out at the session

ASSIGNMENT 2 – NEGOTIATION PREPARATION

A2

TASK	A negotiation must be very carefully prepared. Hence you should, in teams of 4 students, prepare your negotiation approach, negotiation plan, negotiation tactics, decide on negotiation team and your roles etc. before a negotiation game that will take place between different teams. Your preparations should be summarized in a short report that should be uploaded to iCampus (A2) latest by deadline
DEADLINE	Thursday 13/11/2008 at 09:00
READING	Patton, Ury & Fisher

ASSIGNMENT 3 – COMPANY ANALYSIS

A3

TASK	<p>You shall, in teams of 4 students, make an interview with a purchasing manager or a purchaser, and based on this write a report where you describe how the company works today, and plan to work in the future, related to a number of areas that the course and the literature covers. You should also analyse and reflect about similarities and differences between the company's way of working and the course literature. The report should be professional written - when approved it will be sent back to the company representative.</p> <p>Your first task is to identify and contact a company to investigate and in particular their purchasing/sourcing manager. Some sources and networks will also be mentioned as points of contact at lecture 1. Your purchasing manager should be asked to participate in 1-2 interviews á 2-3 hours. You have to contact them yourself to set up a meeting, in the recommended period 27/10/08 – 21/11/08. The</p>
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contact persons are prepared to take a meeting in this period; you will have had enough time to prepare your investigation and an interview guide, and you will have enough time afterwards to write your report.

Finally you should present your study orally the 10th of December, and discuss another group's report that you have read. The report should be uploaded to iCampus (A3), and to the group that should discuss it by the stated deadline.

The report will be graded between 0 – 20 points. Below 10 points means failed: then the report must be considerably complemented and the final points of the assignment can never reach more than 10 points. Presentation and discussion will be taking into consideration for the grading.

REPORT DEADLINE Tuesday 02/12/2008 at 09:00

PRESENTATION Wednesday 10/12/2008

READING Literature and lectures

NEGOTIATION GAME

A4

TASK The purpose with the negotiation game is that you should both prepare and have a group negotiation to get a hands-on experience. Afterwards you should reflect on what really happened and how you reacted in this situation. You will do this in teams (negotiation teams) of 4 students, with some teams acting as buyers and some as sellers. Assignment 2 is the preparation for this game.

READING Patton, Ury & Fisher