

OTM-812, Vendor and Procurement Management

1. In today's increasingly competitive and globalized world, firms are continuously trying to find ways to improve their performance and differentiate themselves from their rivals. Clearly, suppliers can have great impact on a firm's total cost and help in this differentiation process. Increased levels of outsourcing and offshoring make correct selection of suppliers and their quality, along with development of relationships between suppliers and producers, more crucial than ever. This course aims to provide students with an understanding of the impact that sourcing and supply management have on the success and profitability of firms in today's business environment. We will look at some of the factors that need to be considered when making sourcing and supplier management decisions (costs, prices, ethics, globalization, risks), and discuss the influence that sourcing and supply management have on other functional activities, such as product design, inventory management, etc.

Content

2. Topics covered in this subject are an introduction to the procurement function and its difference from purchasing, Strategic nature of procurement and integration with organizations' goals, various models of procurement, pre procurement steps, including market analysis, product analysis, supplier analysis, supplier shortlisting, RFP formulation, bidding process, bid evaluation and selection, Contract clauses, PPRA rules, supplier management and performance evaluation, supplier relations and development and outsourcing as a strategic tool, ethical issues in procurement.

3. **Objectives**

- a. To expose students to leading edge concepts and principles in strategic sourcing as pursued by leading edge firms;
- b. To generate student interest in pursuing sourcing as a viable career opportunity, be it in retailing, manufacturing, government agencies or non-profit organizations;
- c. To provide applied learning opportunities in strategic sourcing through a combination of case analyses, sourcing project and article reviews
- d. To develop student expertise in the areas of negotiations skills, presentation skills, analytical skills and communications skills

4. **Outcomes**

- a. Understanding of the purpose of the procurement function and its role in the organisation
- b. Knowledge of both strategic and tactical issues in the management of procurement
- c. Appreciation of the processes involved in procurement and their wider relevance to the supply chain processes of the organisation
- d. Practical knowledge of the role and use of automated and web-based applications used in procurement and supply operations
- e. Use tools and techniques to analyse and evaluate suppliers and supply markets
- f. Apply segmentation models to spending within an organisation
- g. Develop a procurement strategy, relevant to the supply chain and operational needs of the organisation
- h. Evaluate alternatives for automation of the procurement process through available technologies

5. **Text and reference books**

- a. Purchasing and Supply Management by Johnson, Leenders, Flynn (JLF), McGraw-Hill/Irwin, 2011.
- b. Purchasing and Supply Chain Management by Monczka, Handfield, Giunipero, Patterson (MHGP), South-Western, 2011.
- c. The Promise and Limits of Private Power by Locke, Cambridge University Press, 2013.