

NATIONAL UNIVERSITY OF SINGAPORE  
School of Business  
Department of Decision Sciences

**DSC3202 Purchasing and Materials Management**

**Lecturer:** Keith B. Carter

**Session:** Semester II, 2014/2015

**Curriculum For Purchasing and Materials Management (P&MM)**

Best-in-class Purchasing and Materials Management (P&MM) functions support corporate performance by delivering the appropriate balance of Cost, Quality and Speed-To-Market. The function can include sourcing, costing, supplier relations, logistics, and goods storage.

While organizations buy varying combinations and amounts of raw materials, manufactured parts/components, and services, they all have to perform this procurement function efficiently and effectively. In many organizations, the value of purchased goods and services could account for more than 80% of their total COGS. Therefore, P&MM represents one of the most current frontier available for generating competitive advantage.

Students will learn about supply chain strategy, and then align the P&MM strategy and tactics. Negotiations, supplier relationship management (SRM), contract performance management, and actionable intelligence are foundational elements in the class.

Each class session is run as a business meeting with regular coaching on how to be prepared for the business environment including: ideation sessions, making persuasive arguments, and delivering business cases.

The class also has speakers from industry to discuss real-world situations.

In this course students will learn how to deliver best-in-class P&MM results by:

- Studying P&MM strategy, tactics and capabilities used by corporations today
- Practicing negotiations in-class
- Delivering senior management level presentations with cost/benefits of recommended strategies and tactics

By the end of the course, students will be ready to be active and contributing members of a P&MM function. They will have the foundational knowledge to support senior management in strategy development and building cases for tactical improvements in People, Processes, and Technology.

## Assessment Methods

Individual Assignments	15%
Class Participation	5%
Midterm	20%
Group Activity	20%
Final Group Project	40%

## Course Schedule & Contents

Session	Lecture Topics	Readings and Assignments
1	<p>Overview of Purchasing and Materials Management Course: Purchasing Introduction</p> <p>Class Activity: Introductions</p> <p>Video: Zara's end to end visibility</p>	<p><b>Homework(HW):</b> - Introduction Slide - Initial Qlikview Review</p> <p><b>Read:</b> HBR, Procurement as Strategy</p> <p>Book: Assigned in class</p>
2	<p>Setting The Foundation</p> <p>The Purchasing Process Calculating the value of purchasing First Negotiation</p> <p>P&amp;MM Technology: - Diagnose supplier contract performance</p>	<p><b>HW:</b> - Complete Qlikview Online Training - Read about Kraljic Portfolio Purchasing Model - Read "Designing For Supply Chain" Carter, Murphy in Beauty Packaging Magazine</p> <p>Book: Assigned in class</p>
3	<p>Where Are We Today?</p> <p>Measuring Procurement's Success</p> <p>Identifying Opportunities in P&amp;MM with ABC Analysis</p>	<p><b>HW:</b> Purchasing Best Practice In Supplier Relationship Management</p> <p>Book: Assigned in class</p>
4	<p>How To Win?</p> <p>Seizing opportunities and avoiding risks in P&amp;MM</p> <p>Purchasing cycle</p>	<p><b>HW:</b> Group Benchmark selected industry Book: Assigned in class</p>

	Request For Quotation Benchmarking	
5	Bringing Concepts Together Linking P&MM with finance Commodity Purchasing Strategy Mid-term Preparation	No assignment, prepare for mid-term
6	In-class midterm	<b>HW:</b> Book: Assigned in class
7	Continuous Improvement and midterm review Supply Chain Simulation Activity Supplier Collaboration and Performance Management Bring the concepts of P&MM together in results based simulation	<b>Group assignment:</b> - Continue Purchasing and Planning Simulation
8	Warehouse visit	<b>Group assignment:</b> - Continue Purchasing and Planning Simulation
9	Collaboration Case: Purchasing services	<b>Group assignment:</b> - Continue Purchasing and Planning Simulation
10	Negotiation Foundation	Group assignment: Negotiation preparation
11	Negotiation Final and Purchasing For Startups	Group assignment: Complete Final Project documents
12	Final Case Reviews and in-class presentations	
13	Final Case Reviews and in-class presentations continued	

### **Case Study Assignment**

Analysis of a publicly traded company's procurement and materials management risks and opportunities

Goal: Understand how P&MM impacts the performance of a company by analyzing publicly available information on current and planned activities to improve Cost Of Goods (COGs) and Sales and General Administration (SGA). Then review the most recent reported quarterly results to see how effective the company was at executing their plans against the current environment.

- Students will know how to make a case for P&MM strategy, tactics, and plan for execution.  
"Prepared to become Chief Procurement Officers"