

Discipline: Business

Degree Credit  [X]  
Non Credit  [ ]  
Nondegree Credit  [ ]  
Comm Service  [ ]

## **Riverside Community College District Integrated Course Outline of Record**

### **Business 87**

**College:** R\_\_\_ M\_\_\_ N\_X

Lecture Hours: 54

Lab Hours: 0

Units:3.00

BUS-87: Purchasing and Supply Management

#### **COURSE DESCRIPTION**

Prerequisite: None.

Study of the purchasing and supply manager's responsibilities including the identification, acquisition, positioning and management of materials, services and equipment that organizations need to attain their goals. Emphasis is on decision making, integration with suppliers, critical internal relationships, and customer (end user) service. 54 hours lecture.(Letter Grade, or Pass/No Pass option.)

#### **SHORT DESCRIPTION FOR CLASS SCHEDULE**

Study of the purchasing & supply manager's role in procurement of resources organizations need to attain goals, with emphasis on decision making, supplier integration, internal relationships, and customer service.

#### **ENTRY SKILLS**

None.

#### **STUDENT LEARNING OUTCOMES**

Upon successful completion of the course, students should be able to:

**Develop a process for evaluating internal supply function performance in view of overall organizational strategy.**

- Critical Thinking - Analyze and solve complex problems across a range of academic and

everyday contexts

- Global Awareness - Demonstrate teamwork skills
- Critical Thinking - Integrate knowledge across a range of contexts
- Breadth of Knowledge - Understand the basic content and modes of inquiry of the major knowledge fields
- Application of Knowledge - Maintain and transfer academic and technical skills to workplace
- Critical Thinking - Consider and evaluate rival hypotheses

**Understand how to minimize an organization's legal and ethical exposure in the buyer/seller relationship.**

- Application of Knowledge - Maintain and transfer academic and technical skills to workplace
- Critical Thinking - Analyze and solve complex problems across a range of academic and everyday contexts
- Global Awareness - Demonstrate teamwork skills
- Critical Thinking - Identify one's own and others' assumptions, biases, and their consequences

**Evaluate supplier performance while improving relations with suppliers.**

- Critical Thinking - Analyze and solve complex problems across a range of academic and everyday contexts
- Application of Knowledge - Maintain and transfer academic and technical skills to workplace
- Breadth of Knowledge - Understand the basic content and modes of inquiry of the major knowledge fields
- Global Awareness - Demonstrate teamwork skills

**Contribute knowledge needed by multidisciplinary teams to effectively integrate and exceed end user (customer) expectations.**

- Breadth of Knowledge - Understand the basic content and modes of inquiry of the major knowledge fields
- Communication Skills - Listen thoughtfully and respectfully to the ideas of others
- Critical Thinking - Analyze and solve complex problems across a range of academic and everyday contexts
- Critical Thinking - Consider and evaluate rival hypotheses
- Critical Thinking - Identify one's own and others' assumptions, biases, and their consequences
- Critical Thinking - Integrate knowledge across a range of contexts
- Global Awareness - Demonstrate teamwork skills
- Application of Knowledge - Maintain and transfer academic and technical skills to workplace

**Describe the process to establish and achieve objectives in negotiations with important suppliers.**

- Critical Thinking - Identify one's own and others' assumptions, biases, and their consequences
- Global Awareness - Demonstrate teamwork skills

- Critical Thinking - Analyze and solve complex problems across a range of academic and everyday contexts
- Communication Skills - Listen thoughtfully and respectfully to the ideas of others
- Application of Knowledge - Maintain and transfer academic and technical skills to workplace

**Develop a strategy to optimize inventory levels and effectively deliver goods and services.**

- Critical Thinking - Analyze and solve complex problems across a range of academic and everyday contexts
- Global Awareness - Demonstrate teamwork skills
- Application of Knowledge - Maintain and transfer academic and technical skills to workplace

**COURSE CONTENT**

1. Purchasing and Supply Management
  - a. Purchasing and Supply Management Definitions
  - b. Supply and Logistics
  - c. The Size of an Organization's Spend and Financial Significance
  - d. Supply Contribution
  - e. Decision Making in the Supply Management Context
  - f. The Differences between Commercial and Consumer Acquisition
  - g. Supply Qualifications and Associations
  - h. Challenges Facing Purchasing and Supply Management over the Next Decade
2. Supply Organization
  - a. Objectives of Supply Management
  - b. Organizational Structures for Supply Management
  - c. Organizing the Supply Group
  - d. Supply Activities and Responsibilities
  - e. Supply Teams
  - f. Leading and Managing Teams
3. Supply Processes
  - a. The Supply Management Process
  - b. Recognition of Need
  - c. Description of the Need
  - d. Identification of Potential Sources
  - e. Supplier Selection and Determination of Terms
  - f. Preparation and Placement of the Purchase Order
  - g. Follow-Up and Expediting
  - h. Receipt and Inspection of Goods
  - i. Invoice Clearing and Payment
  - j. Maintenance of Records and Relationships
  - k. A Supply Process Flowchart
    - l. Rush or Emergency Orders
  - m. Policy and Procedure Manual
4. Information Systems and Technology
  - a. Information Management

- b. Information System Technology Use in Supply Management
  - c. Commonly Used Technology Tools
  - d. Electronic Communication
  - e. Online Auctions
  - f. Implications for Supply
5. Quality, Specification, and Service
- a. Determination of Need
  - b. Methods of Description
  - c. Standardization and Simplification
  - d. Quality, Suitability, and Best Buy
  - e. ISO 9000 Quality Standards and the Malcolm Baldrige Award
  - f. Total Quality Management (TQM)
  - g. Quality Function Deployment (QFD)
  - h. Inspection and Testing
  - i. Process Control
  - j. Supplier Certification
  - k. Service
6. Quantity and Inventory
- a. Inventory Management
  - b. Functions and Forms of Inventories
  - c. ABC Classification
  - d. Costs of Inventories
  - e. Forecasting
  - f. Determining Order Quantities and Inventory Levels
  - g. Material Requirements Planning (MRP)
  - h. Lean Supply and JIT
7. Transportation and Delivery
- a. Organization for Logistics Decisions
  - b. FOB Terms and Incoterms
  - c. Transportation
  - d. Transportation Carriers
  - e. Rates and Pricing
  - f. Other Transportation Service Providers
  - g. Documentation in Freight Shipments
  - h. Expediting and Tracing Shipments
  - i. Developing a Transportation and Logistics Strategy
8. Price
- a. Relation of Cost to Price
  - b. Government Influence on Pricing
  - c. Types of Purchases
  - d. The Use of Quotations and Competitive Bidding
  - e. Provision for Price Changes
  - f. Contract Cancellation
  - g. Forward Buying and Commodities
9. Cost Management, Discounts, and Negotiation
- a. Cost Management
  - b. Discounts
  - c. Negotiation
10. Supplier Selection
- a. The Supplier Selection Decision

- b. Identifying Potential Sources
  - c. The Evaluation of Potential Sources
  - d. Supplier Evaluation Methods
  - e. Linking Sourcing with Strategy
11. Investment Recovery
- a. North American Environmental Initiatives
  - b. ISO 14000 Environmental Standards
  - c. Benefits of Effective Disposal
  - d. Categories of Material for Disposal
  - e. Responsibility for Material Disposal
  - f. Keys to Profitable Disposal
  - g. Disposal Channels
  - h. Disposal Procedures
  - i. Selecting the Right Disposal Partner
12. Supply Law and Ethics
- a. Legal Authority
  - b. Personal Liability
  - c. Authority of Suppliers' Representatives
  - d. The Uniform Commercial Code
  - e. Common Law and the Purchase of Services
  - f. E-Commerce and the Law
  - g. Intellectual Property Laws
  - h. Product Liability
  - i. Alternative Dispute Resolution
  - j. The Sarbanes-Oxley Act
  - k. Ethics
  - l. Social Responsibility
13. Research and Metrics
- a. Organizing for Supply Research
  - b. Supply Research Opportunities
  - c. Relationship Classification
  - d. Supply Planning Process
  - e. Supply Budgets
  - f. Performance Measurement Systems
  - g. Establishing Metrics
14. Global Supply
- a. The Importance of Global Supply
  - b. Potential Problem Areas
  - c. Incoterms
  - d. Information Sources for Locating and Evaluating International Suppliers
  - e. Global Sourcing Organizations
  - f. Intermediaries
  - g. Countertrade
  - h. Foreign Trade Zones
  - i. Free Trade Agreements
15. Public Supply Management
- a. Characteristics of Public Supply
  - b. Acquisition Procedures
  - c. Military Supply

- d. State, Local, and Municipal Supply
  - e. Model Procurement Code
  - f. Public Supply Changes
16. Capital Goods
- a. The Challenge of Procuring Capital Assets
  - b. New Technology---New Equipment
  - c. Sourcing and Supply Issues
  - d. Reasons for Buying Used Equipment
  - e. Leasing Equipment
  - f. The Acquisition of Technology
  - g. The Acquisition of Construction
17. Services
- a. Significance of Services Spend
  - b. What Makes Services Different?
  - c. Framework for Analyzing Services
  - d. Acquisition Process for Services
  - e. Outsourcing and Managing Third-party Service Providers
  - f. Expanding Supply's Involvement
18. Make or Buy, Insourcing, and Outsourcing
- a. Make or Buy
  - b. Subcontracting
  - c. Insourcing and Outsourcing
  - d. Outsourcing Purchasing and Logistics
  - e. Purchasing's Role in Outsourcing
19. Supplier Relations
- a. Purchaser-Supplier Relations
  - b. The Purchaser-Supplier Satisfaction Matrix
  - c. Supplier Ranking
  - d. Partnerships
  - e. Strategic Alliances
  - f. Reverse Marketing/Supplier Development
  - g. Supply Chain Management
20. Strategy in Purchasing and Supply Management
- a. Levels of Strategic Planning
  - b. Major Challenges in Setting Supply Objectives and Strategies
  - c. Strategic Planning in Purchasing and Supply Management
  - d. Major Supply Strategy Areas
  - e. Risk Management
  - f. Strategic Components
  - g. What is Happening in Purchasing and Supply Management

### **METHODS OF INSTRUCTION**

Methods of instruction used to achieve student learning outcomes may include, but are not limited to:

- Facilitate discussions regarding relevant current issues in business to encourage students to make appropriate connections to the course content.
- Present lectures to describe the essentials of purchasing management

concepts and their applications to business.

- Develop and assign exercises to reinforce concepts and encourage students to apply them to current purchasing management trends and events.
- Create and have students participate in cooperative learning tasks such as small group exercises to identify issues that relate to course content and utilize the content to offer opinions, solutions and analysis with respect to those issues.
- Present case studies to provide students with the opportunity to utilize concepts learned in class to analyze purchasing management situations.
- Develop and assign tasks/activities such as presentations in order to assess students understanding of purchasing management concepts.

## **METHODS OF EVALUATION**

Students will be evaluated for progress in and/or mastery of learning outcomes by methods of evaluation which may include, but are not limited to:

- Individual or class projects designed to evaluate the application of purchasing management principles to simulations of real business situations.
- Individual, small group, or paired activities designed to allow students to demonstrate understanding of basic purchasing management concepts.
- Quizzes and in-class participation demonstrating proficiency in the subject matter.
- Quizzes designed to assess the student learning outcomes.
- Written reports designed to assess the application of purchasing management principles.
- Individual web projects designed to assess student proficiency in achieving the student learning outcomes.
- Examination designed to provide objective evidence that students have attained the level of understanding expected in the areas detailed in the student learning outcomes.

## **SAMPLE ASSIGNMENTS**

### **Outside-of-Class Reading Assignments**

- Read all assigned chapters from the textbook and other course material in advance of the class covering that material.
- Other outside reading requirements may be assigned as appropriate and may include specific journal articles relating to purchasing policies and procedures.

### **Outside-of-Class Writing Assignments**

- Quizzes/examinations designed to assess ability to formulate purchasing decisions.
- Written reports designed to assess the application of arrangements to receive acceptable goods.

- Essays presenting detailed material related to packaging and shipping methods.
- Final projects designed to demonstrate student mastery of the calculation and analysis of inventory levels.

### **Other Outside-of-Class Assignments**

- Individual, small group, or paired activities designed to allow students to demonstrate understanding of how to formulate requirements and quantities.
- Individual web projects designed to assess student proficiency in purchasing policies and procedures.
- Individual or small group projects designed to evaluate student ability to formulate purchasing decisions.

### **COURSE MATERIALS**

All materials used in this course will be periodically reviewed to ensure that they are appropriate for college level instruction. Possible texts include:

Johnson, Leenders, & Flynn. Purchasing & Supply Management. 14th ed. Irwin-McGraw Hill, 2011.

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