

BA in Management
Fall 2021
OPIM 412 – Strategic Procurement

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Type	Time	Days	Where
Class	4:40 pm - 5:30 pm	Mon	SBS L018
Class	8:40 am - 10:30 pm	Tue	FASS 1096

Course Objective:

Procurement is an important organizational function that focuses on the upstream supply chain and deals with obtaining goods and services from suppliers at the most favorable conditions. The aim of this course is to provide the students with the key concepts regarding strategic procurement, and prepare them for future careers as procurement managers/buyers who are equipped with the necessary knowledge to manage not only tactical and operational, but also strategic aspects of procurement. Topics include purchasing processes, purchasing portfolio models, buyer-supplier relationships, global sourcing, supply risk management, and purchasing impact on innovation and sustainability. The course also enables hands-on experience where students work on a procurement-related issue of an actual organization.

Learning Outcomes:

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

1. Define tactical, operational, and strategic contributions of procurement.
2. Demonstrate understanding of purchasing process models.
3. Develop purchasing strategies that fit to purchase category characteristics.
4. Assess purchasing and supplier performance.
5. Analyze buyer-supplier relationship characteristics.
6. Demonstrate understanding of the contribution of procurement to innovation and sustainability.
7. Apply the knowledge, skills and understanding gained about strategic procurement to case studies and actual organizations.

Course Material:

Textbook:

The course will follow the textbook: Van Weele, A., *Purchasing and Supply Chain Management*, Seventh Edition, CENGAGE Learning, © 2019. You are expected to read ALL readings BEFORE the indicated sessions.

List of Cases

Case 1	Date: November 22, 2021
	Case: Thomas Medical Systems
	Type: HBS
	Subject: Purchasing, Innovation and Quality Management (Chapter 10)
	Teamwork?: Yes (2-3 people)
	Grading: Team

Reading Assignments

In addition to the book chapters, for some lectures/assignments you are asked to read the following articles:

No	Article Details
1	Kraljic, P., 1983. Purchasing must become supply management. <i>Harvard Business Review</i> , September-October, 109-117.
2	Liker, J.K., Choi, T. Y., 2004. Building deep supplier relationships, <i>Harvard Business Review</i> , 82, 102-112.
3	Andersen, E., Jap, S.D., 2005. The dark side of close relationships. <i>MIT Sloan Management Review</i> , Spring, 75-82.
4	Wynstra, F., Ten Pierick, E., 2000. Managing supplier involvement in new product development: a portfolio approach. <i>European Journal of Purchasing & Supply Management</i> , 6, 49-57.
	Required for the case analysis
5	Tate, W.L., Ellram, L.M., Dooley, K. J., 2012. Environmental purchasing and supplier management (EPSM): Theory and practice. <i>Journal of Purchasing and Supply Management</i> , 18, 173-188.

Course Web:

Course syllabus, reading assignments and slides will be available on SUCourse. It is the responsibility of the students to check the system regularly for announcements. Students will submit case analysis report and term project components (i.e. proposal, literature review, data collection, results, final report) via SUCourse.

Sabancı University uses a very powerful web-based tool called Turnitin. Turnitin is the worldwide standard in online plagiarism prevention. It allows instructors to compare student papers against a database composed of millions of articles. Every paper you submit will be scanned by Turnitin, and results will be reflected in your grades.

Instructional Design:

This course consists of regular lectures, discussions, case analysis, guest speakers and a final presentation of term projects. Lecture slides will be available at the OPIM 412 SUCourse site before the lectures; however, students are advised to check SUCourse site regularly for updated versions including the highlights of class discussions. Students are expected to come to the class prepared by reading the assigned material, and to actively and meaningfully participate in class discussions.

Grading:

Participation	: 10%
Case analysis	: 10%
Midterm 1	: 25%
Midterm 2	: 25%
Term project	: 30%

Peer Evaluation in Teamwork

Students will be asked to provide an evaluation of the members of their team in *Term project*. Each student will divide 100 points between the members of her team, including herself. This division should reflect that person's judgment of the contribution of the members of her team. The scores should not be merely functions of time spent by each member, but they should be measures of the "contribution;" their relative contribution to the idea generation, research, analysis, writing, oral presentation, report writing, etc. If the team was highly functional, and each member did what they committed themselves to, then the student can assign the same mark to each member of the team. If, on the other hand, some members of the team did not fulfill their commitments and did not contribute as much as the others, then points can be distributed unevenly.

The points submitted by all members of the team will be aggregated by the instructor. Every student will be given his/her aggregate peer evaluation, without disclosing the individual peer evaluations to the students.

In case there is no consensus among the team, for example, if three students divide the marks evenly and the fourth one divides them unevenly, then the instructor will use his/her judgment to assign peer evaluation marks--possibly after meeting with the members of the team.

In cases where there are conflicting marks, it is most likely that the instructor will meet with the team members and provide a mark based on an interview. For example, in a group of four, if Students A and B believe they did most of the work, and Students C and D believe otherwise, the team may be called in for an interview in order to be fair to everyone.

The primary goal of this exercise is to avoid giving undeserved credit to individuals who did not help their teams. However, it is possible to have upwards adjustments of marks in case of students who have done more than what the group expected of them.

The peer evaluation will have a direct impact on your *Term project* grades. To give a simple example, if the group mark is 25 out of 30, and if your peer evaluation indicates that your contribution was less than what was expected, then your *Term project* mark will be less than 25 out of 30. There are no simple rules for adjustment.

Requirements:

Class Participation:

This course component constitutes 10% of your overall grade. Please note that class participation is not only about attendance to the lectures, but also about actively participating to the discussions in a constructive and engaging manner. Not only the frequency, but also the quality of the comments and questions will be assessed as well; therefore, students are highly advised to read the lecture materials before coming to the lecture. Students are also expected to comply with classroom policies and conduct summarized on page 6 of this syllabus. Points can be taken off for not complying with the classroom policies and conduct.

Exam:

This course component constitutes 50% of your overall grade. There will be two midterm exams. Both exams will be closed-book and consist of two parts. The first part includes multiple choice questions (30 points), and the second part includes short essay questions. Topics included in the exams and the anticipated dates of the exams are provided on the schedule. If you miss an exam, makeup exam will only be given in the case of plausible excused absences (for health reasons, etc.), which must be documented.

Case Analysis Report (Team):

This report constitutes 10% of your overall grade. There will be one short assignment that will be prepared in groups of two, based on a teaching case. Students will be asked to answer questions about the teaching case and write a report of about 2-3 pages. Assignments need to be submitted before the class discussion about the teaching case. Further details will be provided on SUCourse site.

Case Analysis Report (Team):

This report constitutes 10% of your overall grade. There will be one short assignment that will be prepared in groups of two, based on a teaching case. Students will be asked to answer questions about the teaching case and write a report of about 2-3 pages. Assignments need to be submitted before the class discussion about the teaching case. Further details will be provided on SUCourse site.

Term Project (Team):

This project will constitute 30% of your overall grade. In groups of four, you will work on a term project where you will find an organization and investigate one of the following topics:

- Purchase category strategy development
- Supplier selection/performance evaluation
- Supplier risk assessment

- Purchasing/Supplier involvement in innovation
- Socially responsible purchasing

You will determine the exact research problem with your team and the Professor after the first feedback session about Term Project Proposal.

The term project consists of the following components & percent of your overall grade:

<i>Term Project Proposal</i>	: 0%
<i>Term Project Literature Review</i>	: 5%
<i>Term Project Data Collection Plan</i>	: 0%
<i>Term Project Results</i>	: 0%
<i>Term Project Final Report</i>	: 20%
<i>Term Project Presentation</i>	: 5%

Milestones of the term project are:

- **October 8, 8 a.m.:** *Submit team members' contact information*
- **October 15, 8 a.m.:** *Submit "Term Project Proposal":* Submit term project proposal (i.e. name of the organization, contacts in that organization, research topic selection, 3-4 relevant articles, a feasibility report indicating timeline)
- **October 18, lecture:** *Attend Feedback Session 1 about "Term Project Proposal"*
- **October 18-November 8:** *Conduct literature review, prepare a plan for data collection*
- **November 8, 8:00 a.m.:** *Submit "Term Project Literature Review" & "Term Project Data Collection Plan"* (i.e. 3-6 pages of literature review, measurement tool for data collection)
- **November 9, lecture:** *Attend Feedback Session 2 about "Term Project Data Collection"*
- **November 9-December 6:** *Collect data and conduct preliminary analysis, schedule with the Professor an extra feedback session if necessary.*
- **December 6, 8.00 a.m.:** *Submit "Term Project Results"* (i.e. 5-6 pages of analysis and results)
- **December 7, lecture:** *Attend Feedback Session 3 about "Term Project Results"*
- **December 20, 8:00 A.M.:** *Submit "Term Project Final Report" and "Term Project Presentation"* (i.e. ALL teams must submit the final project report (introduction, literature review, data collection, analysis and results, conclusion) and final presentations)
- **December 20-28, lectures:** *Final presentations* (All team members must take part in the presentation and Q&A session).

Academic Honesty:

Learning is enhanced through cooperation and as such you are encouraged to work in groups, ask for and give help freely in all appropriate settings. At the same time, as a matter of personal integrity, you should only represent your own work as yours. Any work that is submitted to be evaluated in this class should be an original piece of writing, presenting your ideas in your own words. Everything you borrow from books, articles, or web sites

(including those in the syllabus) should be properly cited. Although you are encouraged to discuss your ideas with others, it is important that you do not share your writing (slides, MS Excel files, reports, etc.). Using ideas, text and other intellectual property developed by someone else while claiming it is your original work is *plagiarism*. Copying from others or providing answers or information, written or oral, to others is *cheating*. Unauthorized help from another person or having someone else write one's paper or assignment is *collusion*. Cheating, plagiarism and collusion are serious offenses that could result in an F grade and disciplinary action. Please pay utmost attention to avoid such accusations.

Classroom policies and conduct

Sabancı BA in Management Program values participatory learning. Establishing the necessary social order for a participatory learning environment requires that we all:

- Come prepared to make helpful comments and ask questions that facilitate your own understanding and that of your classmates. This requires that you complete the assigned readings for each session before class starts.
- Listen to the person who has the floor. During class, no unnecessary conversations.
- Come to class on time.
- Engage with cell phones/tablets/laptops only as part of the lecture.

Course Schedule:

Week 1	Dates: September 27 & 28, 2021 Topics: <i>Course Introduction</i> <i>Introduction to Strategic Sourcing</i> Requirements: Reading – Chapter 1
Week 2	Dates: October 4 & 5, 2021 Topics: <i>Industrial Buying Behavior</i> <i>Purchasing Processes</i> Requirements: Reading – Chapters 2 & 3 <i>Due: October 8, 8 a.m.: Submit “Team Contact Information”</i>
Week 3	Dates: October 11 & 12, 2021 Topic: <i>Supply Market Analysis</i> <i>Purchasing Portfolio Analysis</i> Requirements: Reading – Chapter 6 & 7 Reading Assignment 1 (Kraljic, 1983) <i>Due: October 15, 8 a.m.: Submit “Term Project Proposal”</i>
Week 4	Dates: October 18 & 19, 2021 Topic: <i>Feedback Session 1 - Term Project Proposal (in-class + online)</i> <i>Supplier Relationship Management</i> Requirements: Laptop (for feedback session) Reading Assignment 2 (Liker and Choi, 2004) Reading Assignment 3 (Andersen and Jap, 2005)
Week 5	Dates: October 25 & 26, 2021 Topics: <i>Global Sourcing</i> <i>Supply Risk Management</i> Requirements: Reading – Chapter 8

Week 6	Dates: November 1 & 2, 2021
	Topics: <i>Midterm Q&A and revision session on November 1, Monday</i> <i>In-class Midterm Exam 1 on November 2, Tuesday</i>
	Requirements: Study ALL course materials so far
Week 7	Dates: November 8 & 9, 2021
	Topic: <i>Guest speaker (TBA)</i> <i>Feedback Session 2 – Term Project Data Collection (in-class)</i>
	Requirements: <i>Due: November 8, 8:00 a.m.: Submit “Term Project Literature Review” & “Term Project Data Collection Plan”</i> Laptop (for feedback session)
Week 8	Dates: November 15 & 16, 2021
	Topic: <i>Purchasing, Innovation and Quality Management</i>
	Requirements: Reading – Chapter 10 Reading Assignment 4 (Wynstra and Ten Pierick, 2000)
Week 9	Dates: November 22 & 23, 2021
	Topic: <i>Teaching Case Discussion</i> <i>Purchasing Performance Measurement</i>
	Requirements: Reading – Thomas Medical Systems Case Reading – Chapter 13 <i>Due: November 22, 8:00 a.m.: Submit “Case Analysis Report – Thomas Medical Systems”</i>
Week 10	Dates: November 29 & 30, 2021
	Topic: <i>Socially Responsible Purchasing</i> <i>Purchasing Organization Structure</i>
	Requirements: Reading – Chapter 15 Reading – Chapter 12
Week 11	Dates: December 6 & 7, 2021
	Topic: <i>Buying Business Services</i> <i>Feedback Session 3 - Term Project Results (in-class)</i>
	Requirements: <i>Due: December 6, 8.00 a.m.: Submit “Term Project Results”</i> Reading – Chapter 4
Week 12	Dates: December 13 & 14, 2021
	Topic: <i>Midterm Q&A and revision session on December 13, Monday</i> <i>In-class Midterm Exam 2 on December 14, Tuesday</i>
	Requirements: Laptop (for feedback session)
Week 13	Dates: December 20 & 21, 2021
	Topic: <i>Term Project Presentations</i>
	Requirements: <i>Due: December 20, 8:00 A.M.: Submit “Term Project Final Report” and “Term Project Presentation”</i> Team Presentations
Week 14	Dates: December 27 & 28, 2021
	Topic: <i>Term Project Presentations</i> <i>Course Wrap-up</i>
	Requirements: Team Presentations