



## School of Business Administration

### SYLLABUS: GSBA 561: Supply Management, Fall 2007

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- Text:** *World Class Supply Management*, Burt, Dobler, Starling, McGraw-Hill, 2003, 7th Edition.
- Class Schedule:** Monday and Wednesday, 5:30 – 6:50 pm, OH 327
- Office Hours:** Official office hours are Tuesday and Thursday from 1:00 to 4:00 in the SCMI Office, however, I am happy to meet with any student at other times and places by appointment.

**Course Introduction:** While the full supply chain extends from raw materials to end customer (and potentially beyond as disposal concerns increase in importance), this course focuses on the procurement of goods and services by a firm or other organization. Most organizations spend more on these purchased goods and services than they do on their internal operations, so effective supply management is of critical importance, both financially and strategically. This course is designed to provide you with the tools to think strategically about the role of supply management and to recognize the significance of the interactions between the function and the rest of the organization.

#### WebCT

We will use WebCT as an active learning support tool. This will mean that lecture materials will be posted up for reference, additional (non-mandatory) readings will be provided for your interest and discussion forums will enable you to share your thoughts and any interesting materials you may have. WebCT will be the official repository for all course materials. It is not, however, the greatest email tool. I will endeavor to respond to all WebCT emails in a timely fashion, but you are more likely to get my immediate attention by addressing emails to my regular USD account ([hansonj@sandiego.edu](mailto:hansonj@sandiego.edu)).

## Learning Objectives

Detailed learning objectives are listed under each week in the schedule below. The objectives of this course are that upon completion you will be able to:

- If you have no previous experience in supply management, you should be able to step into a junior level purchasing role and be productive almost immediately.
- If you have prior supply management experience, the course will give you sufficient insight to develop higher level sourcing strategies for products and families of products.
- If you are not directly engaged in supply management, the course will enable you to form expectations for the supply management function and to work effectively with them to achieve business results.

## Course Structure and Grading

There are four components to the course and the points available for each are indicated in parentheses:

- a. **Attendance and participation (50 points):** We will be discussing cases and various other subjects in class. Any required reading will be announced in advance, and you are expected to have read the material and to *have something to say about it* so that your fellow students can benefit from the discussion. This means coming prepared to discuss or lead a discussion on the topic or case. Participation points are based on quality rather than quantity.
- b. **Exercises (20 points for each exercise = 100 points):** There will be six short exercises during the semester, of which the best five will count. 'Exercises' may be in the format of a case study analysis, short paper, discussion activity or class presentation. Since the in-class discussion may not follow the text too closely, these exercises are primarily for the purpose of verifying that you have read the assigned chapters. The submission for each exercise will be either a short 5 minute briefing to the class or the submission of a short briefing note (in the form of a 1-2 page executive summary). You will be expected to deliver at least 1 presentation and 1 briefing note during the course.
- c. **Project (100 points):** Each student will complete a written project during the semester. The purpose of this project is to demonstrate an ability to do some independent research and to present material in a clear and convincing way. The specific requirements will be discussed in class, but the default option will be a product sourcing report on a product of your choice. If you prefer to do a research report of a different kind, please see me. I am flexible on this so long as the purpose is served. The projects will be due Dec 5 and the final week of class will be used for individual presentations of what has been learned.
- d. **Exam (50 points):** There will be a final exam. The format will typically be a case analysis with some guiding questions, but as our aim is to reflect the learning experiences from this course program. The purpose of the final exam is not to test recall of details, but to show an ability to recognize principles at work and to sort the relevant from the irrelevant.

**Total Available points = 300**

**Grading:** The following represents the general grading policy for this class:

90 to 100% of the total points \* = A- to A

80 to 89% of the total points \* = B- to B+

70 to 79% of the total points \* = C- to C+

60 to 69% of the total points \* = D- to D+

00 to 59% of the total points \* = F

Academic Integrity: USD's policy on academic integrity is expressly integrated into this course. Basically, this means that representing anyone else's work as your own or receiving any unauthorized assistance may result in a grade of F for the course. Just so there is no ambiguity; all work in this course is to be an individual effort. Discussion and collaboration with classmates is encouraged, but what you turn in should be uniquely yours.

## Class Schedule:

Date	Subject	Read and Prepare
Sept. 5 (W)	Discussion of course structure and syllabus. Introduction to supply chains and strategic models. The role of Purchasing.	Read Chapters 1 & 2 as an introduction Additional Reading: Kraljic article, Cox & Lamming article, EIU report (on WebCT)
Learning Objectives: <ul style="list-style-type: none"> <li>• Be able to describe the role of Purchasing within an organization and explain the different ways that the function can contribute to the financial and strategic goals of the organization.</li> </ul>		
Sept. 10, 12	Buyer-supplier relationships. Social Responsibilities	Read Chapter 5 for Monday, Chapter 4 for Wednesday Case preparation: SDC Corporation (Wed.) Additional Reading: Mclvor article, Cox article, Warhurst article
Learning Objectives: <ul style="list-style-type: none"> <li>• Recognize the different types of relationship that can exist between buyers and suppliers; give identifying characteristics and operational consequences for each type.</li> <li>• Give a rationale for the existence of social responsibilities, be able to list the key issues and their operating consequences. Describe policies and procedures that can be used to maintain desired behavior.</li> </ul>		
Sept. 17, 19	Ethics, Policies and Procedures Legal Issues	Read Chapter 23 (Mon.) Read Chapter 24 (Wed.) Case preparation: Senator Foghorn (Wed.), Laxtec (Wed.)
Learning Objectives: <ul style="list-style-type: none"> <li>• Identify the key ethical issues that supply management personnel may be exposed to, along with the references for appropriate standards of behavior.</li> <li>• Describe the legal basis of agency and its implications in supply management</li> </ul>		
Sept. 24, 26	Quality	Read Chapter 7 Case preparation: Drive Shaft Decision – Case A (Wed.)
Learning Objectives: <ul style="list-style-type: none"> <li>• Be able to explain Taguchi's model of quality – the quadratic loss function</li> <li>• Be able to describe a process model for production of goods and services</li> <li>• Explain the importance (and the difference between) process capability and process control.</li> <li>• Explain the role of Supply Management in establishing and maintaining quality and the key tools for doing so.</li> </ul>		
Oct. 1, 3	New Product Development Specifications and standards	Read Chapters 10, 11 Case preparation: Dynamic Aircraft (Wed.) Additional Reading: Handfield article

<p>Learning Objectives:</p> <ul style="list-style-type: none"> <li>• Explain the contribution and importance of Supply Management in the new product development process.</li> <li>• Understand the meaning and advantages/disadvantages of Early Supplier Involvement (ESI) and Early Supplier Selection (ESS)</li> <li>• Recognize the importance of specifications, the different forms of specification available and their appropriate uses.</li> <li>• Understand the difference between standards and standardization and the importance of each.</li> </ul>		
Oct. 8, 10	Outsourcing – make vs. buy Total Cost of Ownership Purchasing equipment and services	Read Chapter 14 Case preparation: Muenster Pump (Wed.)
<p>Learning Objectives:</p> <ul style="list-style-type: none"> <li>• Be able to analyze make-buy decisions from a total cost of ownership perspective.</li> <li>• Understand the roles of sunk and hidden costs in the decision.</li> <li>• Show awareness of the social responsibility issues in outsourcing.</li> <li>• Explain the features of capital equipment procurement that distinguish it from expensed or production material.</li> <li>• Identify the critical elements in the successful procurement of services.</li> </ul>		
Oct. 15, 17	Sourcing Strategy	Read Chapter 15 Case Preparation: WWI
<p>Learning Objectives:</p> <ul style="list-style-type: none"> <li>• Give the key dimensions or parameters of a sourcing strategy and explain how the choices reflect organizational priorities.</li> </ul>		
Oct. 22, 24	Supplier Selection e-Commerce	Read Chapter 9 (Wed.) Case preparation: Ripley Engine (Wed.)
<p>Learning Objectives:</p> <ul style="list-style-type: none"> <li>• Explain the tools available for supplier selection – articulate the relationship to sourcing strategy</li> <li>• Explain the role of e-commerce and reverse auctions in supplier selection</li> </ul>		
Oct. 29, 31	Pricing, price analysis, cost analysis	Read Chapter 17 (Mon.) Read Chapter 18, 19 (Wed.) Note: The SCMI Fall Forum is held Nov. 1 & 2. Students are encouraged to attend as observers.
<p>Learning Objectives:</p> <ul style="list-style-type: none"> <li>• List and explain the factors that determine pricing.</li> <li>• Define a “right” price.</li> <li>• Understand the purpose of price analysis; describe the tools available to do it.</li> <li>• Identify the different types of pricing contracts available – describe the advantages and disadvantages of each and the necessary conditions for using them.</li> <li>• Explain the uses and logic of cost analysis.</li> <li>• Describe the tools available.</li> </ul>		
Nov. 5, 7	Relationship and Contract Management Supplier Development	Read Chapter 21 (Mon.) Read Chapter 22 (Wed.) Case preparation: Hardy Company (Wed.)

<p>Learning Objectives:</p> <ul style="list-style-type: none"> <li>Understand and describe the activities that should take place after a purchase order is issued.</li> </ul>		
Nov. 12,14	Global Supply Management Video case - China	Read Chapter 16 Case preparation: National Machine (Wed.) Additional Reading: Monczka (92) article
<p>Learning Objectives:</p> <ul style="list-style-type: none"> <li>Identify the factors that make global sourcing different from domestic sourcing.</li> <li>Describe some of the techniques available to pursue global sources and manage the issues described above.</li> </ul>		
Nov. 19, 21	Video case - Outsourcing	This is Thanksgiving week. On Monday I will be attending a conference and will be unable to hold a class. Attendance on Wednesday is traditionally sparse, but I will be in the classroom. I will show a video for those who attend.
Nov. 26, 28	Performance Measurement Supplier Audits Risk Management	
<p>Learning Objectives:</p> <ul style="list-style-type: none"> <li>List the key performance measures used in Supply Management – be able to comment on pitfalls in performance measurement.</li> <li>Explain the purpose and general characteristics of a Balanced Scorecard</li> <li>Outline the fundamental structure of the Baldrige quality award scoring</li> <li>Describe techniques to manage/minimize risk in the supply chain.</li> </ul>		
Dec. 3, 5	Additional topics Video case (Nokia)	
<p>Learning Objectives:</p> <ul style="list-style-type: none"> <li>Observe the type of interactions needed in a supplier audit situation</li> </ul>		
Dec. 10, 12	Individual Presentations	
<p>Learning Objectives:</p> <ul style="list-style-type: none"> <li></li> </ul>		
Dec 18	Final Exam (official time slot)	2:00 PM