

LSCM 3009	Supplier Relationship Management	L	T	P	C
Version 1.0		3	0	0	3
Pre-requisites/Exposure	12 th level				
Co-requisites	Understanding of logistics Function				

Course Objectives

1. To make the student understand the concept of purchasing & the key issues and developments in managing supplier, customer management and supply chain partner relationship.
2. Provide students a conceptual framework to better understand the process of strategic sourcing in developing, negotiating, contracting, managing conflict, and measuring performance in supply chain business relationships to enable greater competitiveness.
3. To enable the students understand supply chain strategic cost management knowledge and skills that impact competitive position & financial growth.
4. To disseminate knowledge & skills necessary to develop strategies to and manage supplier/customer business relationships.

Course Outcomes

On completion of this course, the students will be able to

- CO1. Understand the basic concepts of Purchasing & Supplier Relationship Management.
- CO2. To understand the purchasing integration for competitive advantage
- CO3. Learn the basics of strategic sourcing & it's the issues, challenges & strategies in developing a World Class Supply Base: Supplier Evaluation and Development
- CO4. Understand basics of strategic sourcing process & its application

Catalog Description

Supplier Relationship Management (SRM) is first and foremost an approach used for engaging with suppliers on a level that reflects the priorities of the customer organization and how best these needs can be achieved. It is a differentiation process that recognizes that not all suppliers are the same and therefore not all customer-supplier relationships should be dealt with through a single strategy. It provides an organizational focus on communicating with suppliers on the many steps of the Supply Management process. This focus reduces the lead-time and total cost of acquisition, transportation, administration, and possession of goods and services for the benefit of both the buyer and seller, and as a result, provides a competitive advantage and improved profits. The teaching methodology includes power point lectures, case studies, articles, group discussions, role plays and presentations. Students are expected to study the topic/assigned chapters before they come to class. Interaction during lectures is encouraged and therefore each student is expected to add valuable inputs during lectures by sharing his/her knowledge, opinions gained through prescribed readings and articles. Students should be able to demonstrate their comprehension of purchasing & supply chain management concepts and knowledge by applying

those in their written exams, case studies discussions, presentations and projects. The students would be given assignment/project, which would enable them to apply the SRM concepts practically and illustrate those through a written report and presentation. The course methodology thus encourages students to explore for themselves the role of purchasing manager in an organization.

Course Content

Unit I: 8 Hours

Introduction

Introduction to purchasing, importance of purchasing, understanding the language of purchasing & supply chain management, supply chain umbrella, enablers of purchasing & supply chain management, supply chain & value chains evolution of purchasing, purchasing process, responsibilities of purchasing, purchase order, types of purchases, purchasing objectives, purchasing policy & procedures & its advantages & disadvantages policies defining buyer supplier relationship

Unit II: 6 Hours

Purchasing integration for competitive advantage

Purchasing internal integration, external integration, collaborative buyer-seller relationships, advantages of closer buyer seller relationship, evolution from adversarial to collaborative relationship, critical role of cross functional sourcing teams- its benefit & potential drawbacks, supplier integration into customer order fulfillment, purchasing position within organizational structure, purchasing reporting, specialization within purchasing, purchasing department activities, advantages & disadvantages of centralized & decentralized purchasing, hybrid purchasing structure

Unit III: 11 Hours

Strategic Sourcing

Purchasing & Commodity strategy development- linking purchasing & corporate strategy, purchasing strategy development process, types of purchasing strategies, supply base optimization, global sourcing, total cost of ownership, critical role of insourcing/outsourcing strategy, insourcing & outsourcing decision process, evolving sourcing strategies, supplier evaluation & selection process, supplier evaluation criteria, supplier quality management, factors affecting purchasing role in managing supplier quality, ISO 9000, Malcom Baldrige National Quality award, supplier performance measurement, types of supplier measurement techniques, supply base optimization, process map for supplier development, worldwide sourcing, managing international currency risk

Unit IV:**11 Hours****Strategic Sourcing Process**

Strategic cost management- price analysis & cost analysis techniques, total cost of ownership, collaborative approaches to cost management, target pricing & cost saving sharing, project management, learning curves, value engineering/value analysis, quantity discount analysis, process mapping, negotiation definition & framework, negotiation planning, power in negotiation, negotiation tactics, contract management, types of contract- fixed price vs cost based contracts, selection criteria for contracts, long term contracts, nontraditional contracts

Text Book

1. Monczka, R., Trent, R. and Handfield, R. (1998), Purchasing and Supply Chain Management, International Thomson Publishing, London. ISBN:81-315-0130-2

Reference Books

1. Leenders, M., Johnsons, P. F., Flynn, A and Fearon, H(2010), Purchasing & Supply Chain Management, Tata McGraw Hill Edition. ISBN-13:978-0-07-070660-6
2. Dobler, W. D., Burt, N. D. and Starling, L. S (1998), World Class Supply Management, Tata McGraw-Hill ISBN: 9780072290707

Modes of Evaluation: Quiz/Assignment/ presentation/ extempore/ Written Examination Examination Scheme:

Components	MSE	IA	ESE
Weightage (%)	20	30	50
		<ul style="list-style-type: none"> • Case Presentation (30 Marks) • Online Assignments (40 Marks) • Quiz (30 Marks) 	

Relationship between the Course Outcomes (COs) and Program Outcomes (POs)

Mapping between COs and POs		
	Course Outcomes (COs)	Mapped Programme Outcomes
CO1	Understand the basic concepts of Purchasing & Supplier Relationship Management.	PO 1, 2, 4, 8,9,12
CO2	To understand the purchasing integration for competitive advantage	PO 2,3,4,8,7,8
CO3	Learn the basics of strategic sourcing & it's the issues, challenges & strategies in developing a World Class Supply Base: Supplier Evaluation and Development.	PO 3,4,6,8, 9, 12

CO4	Understand basics of strategic sourcing process & its application	PO 4,5,6,7,9,10,11

Program Outcome / Course Outcome mapping

Course Outcomes	CO 1	CO 2	CO 3	CO 4
PO 1	3	3	3	2
PO 2	3	3	3	2
PO 3	3	3	3	2
PO 4	3	1	1	3
PO 5	2	2	1	3
PO 6	2	2	2	2
PO 7	3	3	1	2
PO 8	3	3	3	3
PSO 9	3	3	3	1
PSO 10	3	3	3	2
PSO 11	3	3	3	2
PSO 12	1	1	1	3

		Students will demonstrate strong conceptual knowledge of management & its functional areas.	Students will demonstrate effective oral and written communication skills in the professional context.	Students will be able to work effectively in teams and demonstrate team-building capabilities.	Students will be able to evaluate the legal, social and economic environments of business.	Students will be able to describe the global environment of business.	Students will demonstrate sensitivity towards ethical and moral issues and have ability to address them in the course of business.	Students will be able to apply decision-support tools to business decision making.	Students will be able to apply knowledge of business concepts and functions in an integrated manner.	Students will demonstrate conceptual domain knowledge of the logistics sector.	Students will apply decision-support tools to decision making in logistics sector.	Students will apply conceptual knowledge of logistics sector in an integrated manner.	Students will demonstrate employable and deployable skills for appropriate roles in management.
LSC M 300 9	Supplier Relationship Management	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8	PSO 9	PSO 10	PSO 11	PSO1 2
		3	3	3	2	2	2	2	3	2	3	3	2

1 – Weakly mapped

2 – Moderately mapped

3 – Strongly mapped

Model Question Paper

Attempt any one question out of the two & provide the solution																	
4.	<p>Mr. Sandhu wants to purchase Lubricants & some nut bolts from supplier for his factory. On contacting the Lubricant supplier & nut bolt supplier he has been offered some quantity discounts on purchase of different amount of lubricant & nut bolts, the discounts are given below:</p> <p>Nut Bolts Price discounts</p> <p>Calculate the incremental cost for units mentioned below</p> <p style="text-align: center;">Quotation from dynamic Nut Bolts industries at range of quantities</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><i>Range</i></th> <th style="text-align: left;"><i>Price per unit in range</i></th> </tr> </thead> <tbody> <tr> <td>1-5</td> <td>\$ 10 each</td> </tr> <tr> <td>6-10</td> <td>\$ 8.0 each</td> </tr> <tr> <td>11-20</td> <td>\$ 7.8 each</td> </tr> <tr> <td>21-100</td> <td>\$ 7.6 each</td> </tr> <tr> <td>101-499</td> <td>\$ 7.0 each</td> </tr> <tr> <td>500+</td> <td>\$ 6.90 each</td> </tr> </tbody> </table> <p>Lubricants Price discount</p> <p style="text-align: center;">Quotation from AVCO at specific quantities</p> <p style="margin-left: 40px;">1 litre @ \$85 each 3 litres @ \$ 80 each 6 Litres @ \$ 70 each 10 litres @ \$ 69 each</p> <p>Now calculate the incremental cost for units mentioned for both lubricants & nut bolts.</p>	<i>Range</i>	<i>Price per unit in range</i>	1-5	\$ 10 each	6-10	\$ 8.0 each	11-20	\$ 7.8 each	21-100	\$ 7.6 each	101-499	\$ 7.0 each	500+	\$ 6.90 each	[30]	CO-4,
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