

MDSL 825	Supplier Relationship Management	L	T	P	C
Version 1.0		3	0	0	3
Pre-requisites/Exposure	Graduate in any discipline				
Co-requisites	Understanding of Supply Chain Management				

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, purchasing to global sourcing

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 E Scheme:

Components	Continuous Evaluation				End semester Examination	
	Weightage (%)	Quiz	Assignment	Class Participation		Project
		10	10	10	20	50

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

Mapping between COs and POs		
	COURSE OUTCOMES (COs)	POs
CO 1	Understand the basic concepts of Purchasing & Supplier Relationship Management	PO 1,2, 3,4,7,8,9,10, 11,13, 14
CO 2	To understand the purchasing integration for competitive advantage	PO 1,2, 3, 7,8,9,10, 11,14
CO 3	Learn the basics of strategic sourcing & it's the issues, challenges & strategies in developing a World Class Supply Base: Supplier Evaluation and Development	PO 1,2, 3, 8,9,10, 11, 13,14

CO 4	Understand basics of strategic sourcing process & its application	PO 4,5, 8,12,13, 14
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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	1	1	1	1
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
PSO 13	3	1	3	3
PSO 14	3	3	3	3

Course Code	Course Title	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8	PSO 9	PSO 10	PSO 11	PS12	PSO 13	PS O14
MDSL 825	Supplier Relationship Management	3	3	3	2	2	1	3	3	2	2	3	2	3	3
		Students will be able to develop and evaluate alternate managerial decisions and identify optimal solutions	Students will demonstrate effective application capabilities of their conceptual understanding to the real world business situations	Students will be able to exhibit effective decision making skills, employing analytical and critical thinking ability	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 exhibit leadership and networking skills while handling business situations	Students will demonstrate sensitivity towards ethical and moral issues and have ability to address them in the course of business	Students will demonstrate employability traits in line with the changing dynamics of the industry	Students will demonstrate strong conceptual knowledge in the functional area of management as well as LSCM domain	Students will demonstrate effective understanding of relevant functional areas of management and their application in LSCM	Students will demonstrate analytical skills in identification and resolution of business problems pertaining to LSCM & general management	Students will exhibit the ability to integrate functional areas of management with domain perspective for the purpose of planning, implementation & control of LSCM	Students will have global perspective towards business situations in the area of LSCM	Students will exhibit deployable skills pertinent to the LSCM sector

1 – Weakly mapped

2 – Moderately mapped

3 – Strongly mapped

	<p>(c) What are the various supplier measurement & evaluation system technique? (d) Discuss the role of purchasing at different organization levels? Explain each with examples & what are the various specializations within purchasing?</p>																					
	<p>SECTION D (30 marks) Attempt any one question out of the two & provide the solution</p>																					
4.	<p>A) Discuss the buyer supplier relationship for the following companies with reference to the research paper “Buyer Supplier Relationship”</p> <ul style="list-style-type: none"> (i) Toyota & its suppliers (ii) General motors & its suppliers (iii) Microsoft & the PC makers (iv) Hongkong container terminals (v) Hollywood motion picture industry (vi) Airbus & the making of A380 <p style="text-align: center;">OR</p> <p>B) Mr. Mahesh Kumar 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 Calculate the incremental cost for units mentioned below</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: right;"><i>Price per unit in range</i></th> </tr> </thead> <tbody> <tr> <td>1-5</td> <td style="text-align: right;">\$ 10 each</td> </tr> <tr> <td>6-10</td> <td style="text-align: right;">\$ 8.0 each</td> </tr> <tr> <td>11-20</td> <td style="text-align: right;">\$ 7.8 each</td> </tr> <tr> <td>21-100</td> <td style="text-align: right;">\$ 7.6 each</td> </tr> <tr> <td>101-499</td> <td style="text-align: right;">\$ 7.0 each</td> </tr> <tr> <td>500+</td> <td style="text-align: right;">\$ 6.90 each</td> </tr> </tbody> </table> <p>Lubricants Price discount</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><i>Quotation from AVCO at specific quantities</i></th> </tr> </thead> <tbody> <tr> <td>1 litre @ \$85 each</td> </tr> <tr> <td>3 litres @ \$ 80 each</td> </tr> <tr> <td>6 Litres @ \$ 70 each</td> </tr> <tr> <td>10 litres @ \$ 69 each</td> </tr> </tbody> </table> <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	<i>Quotation from AVCO at specific quantities</i>	1 litre @ \$85 each	3 litres @ \$ 80 each	6 Litres @ \$ 70 each	10 litres @ \$ 69 each	[30]	CO-1,2,3,4,
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