



2IN2180 – Procurement management

Instructors: Thierry Reboud

Department: DÉPARTEMENT SCIENCES HUMAINES ET SOCIALES

Language of instruction: ANGLAIS

Campus: CAMPUS DE PARIS - SACLAY

Workload (HEE): 40

On-site hours (HPE): 27,00

Elective Category : Business Sciences

Advanced level : No

Description

This program intends to provide students with basic knowledge and skills to master the main purchasing processes in which they will be involved whatever function they will perform in a company.

As future top managers, students will be able to evaluate the full benefit they can expect from the purchasing Function, and to identify the main drivers to monitor and leverage the relations with suppliers (organization,, purchasing policy, performance assessment, targets...)

Quarter number

Intensive week at the end of the SG8

Prerequisites (in terms of CS courses)

No prerequisite

Syllabus

The program is split into several modules

- 1 – What is Purchasing? Target is to introduce the basic concepts (Vocabulary clarification, purpose of purchasing, Scope of activity...)
- 2 – Purchasing policy - Marketing approach. Target is to explain the concept of “purchasing strategy” (why?, What?, How?)
- 3 – Pricing. Target is to fully understand the fundamnetal gap between "cost" and "selling price"
- 4 – RFQ – Supplier selection. Target is to understand the 4 steps of the selection process, how to choose the relevant criteria to evaluate quotations, and how to organize the selection
- 5 – Make or Buy. Target is to understand the various aspects to be considered for a Make or Buy decision, and how to process it
- 6 – Legal. Target is to provide the legal background requested in the



purchasing activity, and identify the main legal risks related to purchasing
7 - IP. Target is to highlight the importance of IP protection, and explain how to secure IP in the relations with suppliers

8 – Negotiation. Targets are :

- to understand why and how to prepare negotiations, identify the successful negotiation behaviours for a buyer,

- to provide background about some specific negotiation situations (conflicting, multicultural, negotiation team..)

- to give an overview on "auction" tools.

9 – Supplier assessment – Sustainability. Target is to identify the list of useful criteria, to understand how to perform such assessment, and to give some financial background to detect the sustainability risks.

10 – Value creation – Performance. Target is to explain the purpose of the purchasing performance assessment, and how to implement it, what is "value" for a company, what are the KPI, how to choose them

11 – Ethic & Management : Targets are to identify the main successful skills and qualities for a purchasing function, and to give an overview about the main ethical issues that may result from relations with suppliers.

Grading

The students grade is the result of 2 grades of identical 'weight':

The first one measure active participation to the course (presence in class and active interventions during the course or case reviews)

The second one results from a case analysis done outside class, individually or in teams.

Resources

The sessions combine formal review of the subject matter, plus reviews of one or several case studies which have been distributed in advance for preparation by the students. The purpose of these studies is to understand how theory has to be sometime adapted to match 'real life situations'.

Learning outcomes covered on the course

On completion of the course, students should be able to:

- Identify and monitor the key purchasing processes
- Elaborate a purchasing policy consistent with the company strategy
- identify the main risks outcoming from relations with suppliers
- Assess suppliers and compare quotations, according to the most relevant criteria for the considered business.
- Prepare and perform negotiations
- Identify the created value that can be leveraged through the bargaining power