



## Bachelor's courses School of Business and Economics

VU University Amsterdam - Student- & Onderwijszaken - Exchange programme Vrije Universiteit - 2018-2019



# Procurement and Supply Management

|                            |                                      |
|----------------------------|--------------------------------------|
| <b>Course code</b>         | E_IBK3_PSM ()                        |
| <b>Period</b>              | Period 4                             |
| <b>Credits</b>             | 6.0                                  |
| <b>Language of tuition</b> | English                              |
| <b>Faculty</b>             | School of Business and Economics     |
| <b>Coordinator</b>         | dr. R. Roberti                       |
| <b>Examinator</b>          | dr. R. Roberti                       |
| <b>Teaching staff</b>      | dr. R. Roberti                       |
| <b>Teaching method(s)</b>  | Lecture, Seminar, Instruction course |
| <b>Level</b>               | 300                                  |

## Course objective

All organisations need inputs of goods and services from external suppliers or services providers. In this course, we examine the developing role of the purchasing and supply function in managing and shipping inputs and outputs of companies, and address the ways in which the activity can contribute to the efficiency and effectiveness of an organisation.

Purchasing is seen by many of today's successful organisations as an activity of considerable strategic importance. The fact that the strategic role and contribution of purchasing and supply is well recognized in many leading commercial concerns and public institutions has meant that the strategic purchasing decisions may be taken by purchasing involvement at board level, rather than by a departmental manager. The ramifications of purchasing decisions on the operational processes may also be significant. Quantity discounts or optimal choice of transport may for example lead to gains in direct procurement expenses, but they may increase other cost in the supply chain (such as inventory). Such costs need to be traded off.

After successfully completing the course, students are able to:

- Apply multi-criteria optimization methods to decision making problems encountered in procurement and supply management
- Formulate and solve supplier selection problems by using multi-criteria optimization problems and Excel
- Apply basic statistical tools to analyze transport issues using your preferred software
- Explain and discuss the procurement function, its organization, and its main activities
- Discuss the main economic issues encountered in freight markets, and apply basic (statistical) tools to analyze freight markets

## Course content

In this course, we aim at discussing the management of purchasing, transport and supply activities. In particular, we aim at lecturing the following topics:

- procurement activities
- management of the sourcing function
- make-or-buy decisions
- break-even analysis
- supplier scoring, assessment, and selection
- supplier relationship management
- the structure of freight transport cost

- freight transport demand
- value of time and reliability; modal choice and route choice
- urban transport systems: congestion and reliability
- environmental effects of transport and corporate responsibility
- transport policy at local, national and EU levels

**Form of tuition**

Lectures

Tutorials

**Type of assessment**

Written Exam – Individual Assessment

Assignment(s) – Group Assessment

**Course reading**

Literature: papers and book chapters provided via Canvas

**Recommended background knowledge**

For BK

1.1 Business Processes; 1.1 Business Mathematics; 1.4 Supply Chain Management I; 2.4 Supply Chain Management II; 3.4 Managing and improving quality

For IBA:

1.1 Business Mathematics; 1.4 Global Supply Chain Management; 1.6 Business Processes; 2.5 SCM in Emerging Economies; 3.4 Managing and improving quality