

# Minor in Strategic Procurement

## Description

### The Minor concept

A minor gives you the opportunity to specialize your master program even further. The minor is a bundle of electives that can be chosen separately, but if chosen together gives you a coherent set of competencies that qualifies you to a specialist or leadership function, in this case within Strategic Procurement.

### Purpose

In companies with manufacturing, cost of goods sold (COGS) is 50-80%; in service companies, the equivalent cost is 30%. Thereby procurement is an important function in companies where traditionally, focus has been on cost savings by letting suppliers compete for orders. With the last 20 years' globalization, however, the role of procurement has shifted from that of cost saving focus alone to also finding the right suppliers in evermore complex global supply markets and networks. By this development, purchasing is central in finding new business partners and developing relationships with them that can create competitive advantage. These relationships are based on competition or on collaboration where new products, services and processes are developed. In addition to external relationship building, procurement also needs to build constructive relationships to internal functions for which they procure. The minor in Strategic Procurement gives you a comprehensive set of analytical and management tools to elevate a traditional procurement organization to a strategic level.

The minor combines theories and methods primarily the supply management discipline - with specific focus on external-internal relationship building - with that of management accounting giving you the financial insight and measures to understand the function and how procurement is connected to the corporate strategy as the business as a whole. In providing you with the tools to develop the procurement organization, the minor further gives insight into organizational change processes.

### Structure

The below table lists the structure and the ECTS credits of the individual courses. The course descriptions are available in the [online course catalogue](#). Direct links are inserted in the below table.

| Course                                     | ECTS |
|--------------------------------------------|------|
| <a href="#">Global Sourcing Management</a> | 7.5  |

| Course                                                | ECTS |
|-------------------------------------------------------|------|
| <a href="#">Procurement Organization and Strategy</a> | 7.5  |
| <a href="#">Advanced Sourcing Analysis Techniques</a> | 7.5  |

## Content

### Advanced Sourcing Analysis Techniques.

Learning objectives:

- Explain the process of collecting and extracting data for sourcing analysis
- Analyze sourcing data and identify and explain the application in the sourcing process
- Apply sourcing analysis in order to establish value to the organization

Content:

- Spend analysis
- Financial analysis
- Cost driver analysis – total cost of ownership (TCO)
- Supply market analysis – supplier profiling
- Purchase specifications (e.g. value analysis)

Indicative literature (more to come)

- Handfield, R., (2006), *Supply Market Intelligence*, New York ; Auerbach Publications
- Bragg, S.M., (2010), *Cost Reduction Analysis – Tools and Strategies*, Wiley & Sons, [Chap. 8]
- Singh et al, (2006), "Automated Cleansing for Spend Analytics", IPSERA Conference Paper

### Global Sourcing Management.

Learning objectives:

- Apply concepts, models and frameworks in order to analyse global procurement synergies
- Identify relevant governance mechanisms for global supply networks and explain how these mechanisms develop into being effective for the organization
- Apply and organise relevant category management processes and assessments techniques in order to address global sourcing concerns and opportunities

Content:

- Identifying and realizing sourcing synergies across business units/sites
- Category management

- Indirect spend management
- Global supply network governance
- Supply risk
- Sourcing innovative solutions

Indicative literature (more to come)

- O'Brien, J., (2012), "Category Management in Purchasing", United Kingdom: Kogan Page Ltd.
- Hartmann, E., Trautmann, G., Jahns, C., (2008) "Organisational design implications of global sourcing: a multiple case study analysis on the application of control mechanisms", *Journal of Purchasing & Supply Management*, 14, p. 28–42.
- Smart, A.; Dudas, A., (2007), "Developing a decision-making framework for implementing purchasing synergy: a case study", *International Journal of Physical Distribution & Logistics Management*, Vol. 37 Iss 1, pp. 64 - 89
- Schiele, H.; Philipp Horn, P; Bart V. (2011): "Estimating cost-saving potential from international sourcing and other sourcing levers; Relative importance and trade-offs", *International Journal of Physical Distribution & Logistics Management*, Vol.41(3)
- Payne, J.; Dorn, W. R., (2012), "*Managing Indirect Spend*", Hoboken, NJ, USA: John Wiley & Sons, Inc.

## **Procurement Organization and Strategy**

Learning objectives:

- Explain how procurement knowledge and competences can be developed, managed and integrated into corporate strategy
- Apply and organise relevant e-enabled sourcing tools and processes and discuss its effects on supplier relationships and the sourcing process
- Explore change management concepts and theories in a procurement organization in order to resolve concrete development issues
- Reflect on leadership roles and values in strategic procurement

Content:

- The procurement organization
- Procurement capability development
- E-enabled sourcing processes
- Supply risk
- Change management
- Values and leadership for procurement (especially ethics)

- Sustainability in procurement

## Examinations

The minor consists of the examinations listed below. The learning objectives and the regulations of the individual examinations are prescribed in the [online course catalogue](#). Direct links to the individual examinations are inserted in the table below.

| Exam name                                             | Exam form                          | Grading scale | Internal/external exam | ECTS | Weight |
|-------------------------------------------------------|------------------------------------|---------------|------------------------|------|--------|
| <a href="#">Individual based written assignment</a>   | Home assignment - written product  | 7-step scale  | Internal exam          | 7.5  | 7.5    |
| <a href="#">Procurement Organization and Strategy</a> | Oral exam based on written product | 7-step scale  | External exam          | 7.5  | 7.5    |
| <a href="#">Final</a>                                 | Oral exam based on written product | 7-step scale  | Internal exam          | 7.5  | 7.5    |

*Minor coordinator*

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## Study Board

The minor in Sustainable Business is offered by the Study Board for the Master of Science Programme in Economics and Business Administration.

## How to sign up

If you want to sign up for the minor in Strategic Procurement you have to select CCMVM1009U Minor in Strategic Procurement when you sign up for electives. You will then subsequently be signed up for all three courses. You do not have to select all three courses individually

## Further information