
OM 337.3: Procurement and Supplier Management—Spring 2022

#04815 : T/Th 11:00 am – 12:30 pm, CBA 4.328

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COURSE DESCRIPTION:

Today's business environment depends significantly on the interdependent relationships that make up the supply chain of virtually any successful manufacturing or service company. Whatever the supplier provides, the effective organization needs a robust system to procure the correct goods and services at the best possible price for the organization. Once the organization has made the decision to procure goods and services from another organization, both organizations must clearly define the parameters of the relationship. This course will address the process of procurement including terminology, metrics, and decision making. Additionally, we will investigate the best practices and processes for managing the relationships with suppliers and their performance. We will also explore the sourcing decision and the strategic ramifications of producing/providing goods and services internally or purchasing them from external organizations.

I come to this course with over 25 years in operations, supply chain, and general management. The experience of owning, managing, and consulting to businesses of a variety of different sizes provides me with a context for this course that we can use for a basis of discussion and learning. Please question me on the issues in this course covered through the books, cases, and lecture so that your learning takes place at the level of quality you expect.

This course is one of the required courses for our major in Supply Chain Management.

Prerequisites: OM 235 Supply Chain and Operations Management or OM 334M Healthcare Operations

COURSE OBJECTIVES:

The main objectives of this course are:

- To provide you with an understanding of the importance of procurement and supplier management in today's business environment.
- To familiarize you with the basic concepts, techniques, methods and applications of procurement and supplier management, including supplier selection, sourcing decisions, managing supplier performance, and negotiations.
- To enhance your analytical skills and ability to uncover problems and opportunities for improvement in supply chain and overall organizational performance.
- To ensure that you have the opportunity to exercise your writing skills and receive constructive feedback on your writing. **This is a writing flag course.**
 - Writing Flag courses are designed to give students experience with writing in an academic discipline. In this class, you can expect to write regularly during the semester, complete substantial writing projects, and receive feedback from me and the TA to help you improve your writing. You will also have the opportunity to revise one or more assignments, and to read and discuss your peers' work. You should therefore expect a substantial portion of your grade to come from your written work.
- To ensure you have the opportunity to develop skills to function independently in detailed and unstructured research projects. To that end, this course carries an **independent inquiry flag**.
- To better understand the context in which today's Procurement professional operates, you will be expected to be current with key developments in the news and be able to articulate the impact of those developments on the practice of procurement.

COURSE MATERIALS:

1. Required Readings

- Course Packet: Available at the Co-op. It contains a set of cases we will discuss in class.

2. Optional Readings

- Book: "Purchasing & Supply Chain Management" Sixth Edition by Monczka, Handfield, Giunipero, and Patterson. Mason, OH: South-Western/Cengage. 2016.
Library of Congress Control Number: 2014950274,
Student Edition ISBN-13: 978-1-285-86968-1,
Note: Other editions are acceptable, but the student is responsible for any differences in page numbers, chapter topics, etc.

- ### 3. Course Website:
- This course will use Canvas substantially. The login page is located at <http://courses.utexas.edu>. A UT EID is required for accessing the web site. If you need more information or tutorials, go to <http://www.utexas.edu/cc/Canvas>. If you have problems using Canvas, you can call the ITS help desk at 475-9400. You will find the following on Canvas:

- a. **Course Notes:** I will usually post the slides on Canvas before each class. You may download and print those slides if you would like to use them as lecture note guides. I will purposely have some blank slides in the lecture for discussion purposes. Additionally, I will post “back up” slides with more detail in them that you can use as study guides, or to gain more detail on the topic.
- b. **Assignments and Solutions:** Most of the homework assignments will be individual writing and case preparation, but if there are assignments that have specific solutions, those solutions will be posted on Canvas after the due date of the assignment.
- c. **Surveys:** Periodically throughout the semester I will be surveying the class for feedback on the course and how it can be improved. Please participate in these surveys, as I use them to adjust the class to improve your learning experience. At any time, if you have a suggestion, please feel free to contact me to share your thoughts.
- d. **Grades:** Grades on quizzes and assignments will be posted on Canvas. Please check that the grade posted matches the grade on your paper copy and notify the instructor (for exams) or the TAs (for assignments) as soon as possible in case of a discrepancy.

Password-protected class sites will be available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on FERPA related issues see <http://registrar.utexas.edu/students/records/ferpa/>

PERFORMANCE EVALUATION:

1. **Assessment:** Your grade will be assessed through homework assignments, projects, homework quizzes, papers, and class participation. Below is a description of how the various types of assignments and quizzes contribute to your grade, as well as a description of each type of graded work.

	Grade
Quizzes	10%
Major Individual paper	25%
Final Case Project	25%
Homework assignments	25%
Class Participation	15%
Total	100%

2. **Grades:** It is important to note that all grades at the University of Texas at Austin will utilize the plus/minus system. Therefore, I will be adhering to University policy and will be utilizing this grading system, with the table below showing the starting point for my calculations of the final grade. Generally, all assignments and quizzes will be given a numerical grade with no curving of any kind. I reserve the right to adjust the numerical ranges of the table downward for the final grade calculations, if appropriate.

Letter Grade	Numerical Range
A	94.0 – 100
A-	90.0 – 93.9
B+	87.0 – 89.9
B	84.0 – 86.9
B-	80.0 – 83.9
C+	77.0 – 79.9
C	74.0 – 76.9
C-	70.0 – 73.9

3. **Quizzes:** We will have quizzes during the semester to cover material from the book, lectures, and the cases. Given the nature of this course, the quizzes will be a combination of short answer and/or multiple choice.

There will be a quiz at the beginning of the class session for each case to ensure that you have prepared and are conversant on the material. Offering a make-up quiz for a missed quiz is entirely at the discretion of the instructor.

Any concern regarding the grading of quizzes should be addressed directly to the instructor, no later than one week after the grade was assigned.

- 4. Individual Paper:** Each student will, individually, prepare a research paper on a Procurement, Sourcing, or Supplier Management topic of their choice. This is an opportunity to delve more deeply into a topic area that perhaps we only touch upon in the course, but is of greater personal interest to the student. Topics could include (but are not limited to) items such as: Sustainability and the supply chain, Onshoring versus Offshoring, Trends on outsourcing in the Service industries, and theories on supply chain impact on social and international development. This is a research paper and will require no fewer than five (5) citations from academic journals or other higher-level publications. If there is a question on the validity of the reference, check with the professor. Expectations are for a minimum of 2000 words (roughly 8-10 pages not including appendices and reference page), double-spaced, 1- inch margins, 12 point font, your name and the page number on a header on each page, and MLA or APA style. The maximum length is 2200 words (or 10 pages of text), and I will stop reading at 2200 words. I personally prefer APA, but am not limiting you to that style if you are more familiar with MLA. Due date is on the schedule.

Each student will be expected to meet with the professor (and possibly the TA) for 10 minutes to explain the research used in their paper. This will occur after the final paper is turned in and will be the student's opportunity to explain the paper, why they chose the topic, and what they found during their research. This is a discussion, not a PowerPoint presentation. Final grades for the paper will be a combination of the paper and the oral discussion.

As part of the writing flag requirements of the course, you will be required to provide a draft to a classmate for critique and feedback. Your final submission to me will include your draft with comments (either manual or in "track changes" format in Word) from your classmate editor as well as your final paper. I will return your papers with critique on your writing as well as content. This paper constitutes the highest value individual component of your final semester grade. You will submit soft copy via Canvas.

I will be using plagiarism avoidance software on a random basis.

Grading for the paper will consist of three sections: Content/Oral discussion (55%), Writing (35%), and Editing (10%). A more detailed grading rubric will be discussed during the class.

- 5. Final Case Project:** Each semester, we choose a product for you to address from a sourcing standpoint. This semester's company and product will be discussed in class. I expect that you will review the company and its values and strategy as you determine the sourcing plan for the particular product. Students will be participating in this activity in teams of 4 students. The final presentations will take place during class sessions near the end of the semester and will determine, along with the final paper, the final case grade that will substitute for a final exam.
- 6. Homework Assignments:** There will be multiple homework assignments throughout the semester. You may do the homework assignments in teams unless otherwise noted, but in this case, each student must hand in a separate copy in their own words and indicate the names of the people they worked with on the front page.

Homework assignments must be turned in at the beginning of the class session listed on the schedule via Canvas submission before the starting time of the class session. No late

homework assignments will be accepted unless prearranged with me or the TA. I do reserve the right to assign a make-up homework for pre-approved situations such as significant illness or emergency. Many of the homework assignments are based on your 300–500-word write-up of the case. You may use a copy of this as a discussion point in class, but it is important to note that a high-quality paper may not agree with the class decision for that particular topic. Agreeing with the class does not necessarily mean a high grade. Critical thinking and excellent writing ability do matter.

Homework assignments will be graded by the TA on a scale of 0 to 10. In general, this means:

- 0 points for no submittal or no reasonable effort
- 2 points for submittal
- 4 points for submittal and good faith attempt, but missed the mark on the goal of the assignment
- 6 points for essentially correct, good effort
- 8 points for correct, very good effort
- 10 points for exceptional work, including correct answers to the challenging questions or insightful analysis of a case with supporting data

Points will be given for effort (especially for the case-based assignments), correctness of your answers and presentation. Any concern regarding the grading of homework assignments should be addressed directly to the TA and not to the instructor, no later than one week after the grade was assigned.

- 7. Class Participation:** Regular attendance at all class meetings is expected. If you will not be able to attend a class, I appreciate an email letting me know. I will not, however, be taking formal attendance except for when we have guest speakers.

Students are expected to prepare before class. Participation in class, in the form of answering questions and/or commenting on the material is strongly encouraged. Obviously, you cannot participate in class discussions if you are not present, so attendance will affect your grade by affecting your class participation.

Current events:

The beginning of each class session will include a discussion of the most recent developments in current events and the impact on Procurement. Preparation for the current events discussion is a great way to ensure an opportunity to participate.

Professional Societies:

Participation in professional societies is an important component of your development and career management, so you are encouraged to participate in SCMSO (the undergraduate SCM organization), APICS (a supply chain and productivity society), and the Institute for Supply Management (ISM) which is free for students.

Reasonable attendance (no more than 3 absences over the semester), following and commenting on thought leaders and current events, and participation in any of these three groups (SCMSO, APICS, and ISM) assures at least an 85% for class participation.

Class Recordings:

“All students by attendance in the class agree to be recorded as part of the class. This has been validated by UT administration to not be a violation of FERPA. All classes will be recorded but office and other non-classroom time will not.”

“Class recordings are reserved only for students in this class for educational purposes. The recordings should not be shared outside the class in any form. Violation of this restriction could lead to Student Misconduct proceedings.”

- 8. Writing:** This course is a writing flag course, and as such, requires a significant amount of writing and feedback. Please note the following from the Writing Center:

Writing Center: *I strongly encourage you to use the Undergraduate Writing Center, FAC 211, 471-6222: <http://www.uwc.utexas.edu/>). The Undergraduate Writing Center offers free, individualized, expert help with writing for any UT undergraduate, by appointment or on a drop-in basis. Any undergraduate enrolled in a course at UT can visit the UWC for assistance with any writing project. They work with students from every department on campus, for both academic and non-academic writing. Whether you are writing a lab report, a resume, a term paper, a statement for an application, or your own poetry, UWC consultants will be happy to work with you. Their services are not just for writing with "problems." Getting feedback from an informed audience is a normal part of a successful writing project. Consultants help students develop strategies to improve their writing. The assistance they provide is intended to foster independence. Each student determines how to use the consultant's advice. The consultants are trained to help you work on your writing in ways that preserve the integrity of your work.*

- 9. Independent Inquiry:** This course fulfills the requirements for an independent inquiry flag and therefore will require evidence of independent work of a high level research-orientation. The individual paper fulfills a significant portion of these requirements as does the individual contributions into the end of semester final case project. In order to address individual contribution, each student will be asked to perform a peer review of all participants on your project team (including yourself). Significant peer evaluation deviations (positive or negative) may result in commensurate adjustments to the individual grade on the group project.

McCOMBS CLASSROOM PROFESSIONALISM POLICY

The highest professional standards are expected of members of the McCombs community. The collective class reputation and the value of the McCombs experience hinges on this. Please let me know right away if this ever is not the case.

Faculty are expected to be professional and prepared to deliver value for every class session. Students are expected to be professional in all respects. Classroom expectations of students include:

- Students will arrive on time.
- Students will be fully prepared for each class.
- Students will attend the class section to which they are registered.
- Students will respect the views and opinions of their colleagues. Disagreement and debate are encouraged. Intolerance for the views of others is unacceptable.
- Phones and wireless devices are turned off unless otherwise instructed by the professor.

SCHOLASTIC DISHONESTY

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://www.mcombs.utexas.edu/BBA/Code-of-Ethics.aspx>. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

STUDENTS WITH SPECIAL NEEDS

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>.

If for some reason you need special assistance to take an exam or complete an assignment, please notify me ahead of time so that special arrangements can be made in a timely fashion.

STUDENTS WITH DIVERSITY AND INCLUSION

It is my intent that students from all diverse backgrounds and perspectives be well served by this course, that students' learning needs be addressed and that the diversity that students bring to this class can be comfortably expressed and be viewed as a resource, strength and benefit to all students. Please come to me at any time with any concerns.

Title IX Reporting

Title IX is a federal law that protects against sex and gender-based discrimination, sexual harassment, sexual assault, sexual misconduct, dating/domestic violence and stalking at federally funded educational institutions. UT Austin is committed to fostering a learning and working environment free from discrimination in all its forms. When sexual misconduct occurs in our community, the university can:

1. Intervene to prevent harmful behavior from continuing or escalating.
2. Provide support and remedies to students and employees who have experienced harm or have become involved in a Title IX investigation.
3. Investigate and discipline violations of the university's relevant policies.

Beginning January 1, 2020, Texas Senate Bill 212 requires all employees of Texas universities, including faculty, report any information to the Title IX Office regarding sexual harassment, sexual assault, dating violence and stalking that is disclosed to them. Texas law requires that all employees who witness or receive any information of this type (including, but not limited to, writing assignments, class discussions, or one-on-one conversations) must be reported. I am a Responsible Employee and must report any Title IX related incidents that are disclosed in writing, discussion, or one-on-one. Before talking with me, or with any faculty or staff member about a Title IX related incident, be sure to ask whether they are a responsible employee. If you would like to speak with someone who can provide support or remedies without making an official report to the university, please email advocate@austin.utexas.edu. For more information about reporting options and resources, visit <http://www.titleix.utexas.edu/>, contact the Title IX Office via email at titleix@austin.utexas.edu, or call 512-471-0419.

Although graduate teaching and research assistants are not subject to Texas Senate Bill 212, they are still mandatory reporters under Federal Title IX laws and are required to report a wide range of behaviors we refer to as sexual misconduct, including the types of sexual misconduct covered under Texas Senate Bill 212. The Title IX office has developed supportive ways to respond to a survivor and compiled campus resources to support survivors.

RELIGIOUS HOLY DAYS

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

CAMPUS SAFETY

Please note the following recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety>:

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform the instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire

Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.

- Behavior Concerns Advice Line (BCAL): 512-232-5050
- Further information regarding emergency evacuation routes and emergency procedures can be found at: <http://www.utexas.edu/emergency>.

Safety and Class Participation

We will all need to make some adjustments to benefit from in-person classroom interactions in a safe and healthy manner. Our best protections against spreading COVID-19 on campus are masks (defined as cloth face coverings) and staying home if you are showing symptoms.

Other guidelines include:

1. Students should not alter the layout of a classroom under any circumstances from its original configuration that is designed to maintain social distancing guidelines.
2. Consumption of food and drink is not allowed in classrooms or public areas of university buildings except for designated break areas.
3. Enter the building at the designated entrances. Use the hand sanitizer as provided or your own personal hand sanitizer after entering the building.
4. Follow the corridor and stairway directional signage where applicable, maintain proper social distancing and noted paths of travel.
5. All physically able students should use stairs whenever possible. If an elevator is required there should be no more than the number of occupants noted on the elevator signage in the elevator at a time, maintaining social distancing.
6. All classrooms doors should remain propped open before, during, and after class if it is not disruptive. This decision is at the discretion of the instructor using the classroom.
7. Only specific seats in classrooms will be available due to social distancing requirements.
8. Students should carry their own personal sanitizing wipes to ensure that they can clean surface areas including classroom stations as needed. Wipes should be disposed of after class in the nearest trash receptacle.
9. Students should exit the building immediately after the class completes at the designated exit. Each student should exit the room by row from the last row to the first row and from the seat nearest the exit to the seat furthest from the exit. Students who wish to speak with the instructor after class should do so at the location that will be designated by the instructor outside the building so that the next class can get set up and social distancing can be maintained.
10. Dispose of any waste after class in the nearest trash receptacle.
11. Exit the building at the nearest designated exit. Use the hand sanitizer as provided or your own personal hand sanitizer after exiting the building.

SCHEDULE

A current schedule will always be available on the Canvas course website. The attached schedule is tentative and subject to change, but you will be informed of any major changes to these dates.

OM 337 Procurement and Supplier Management Class Schedule--Spring 2022					
Tentative Schedule--Version 01122022					
Day	Session	Date	Topic	Work Due	Preparation
T	1 Online	18-Jan	Introduction--Review of syllabus/Network/Case Expectations		
Th	2 Online	20-Jan	Purchasing Process, Policy, and Procedures		
T	3 Online	25-Jan	Spend discussion, LYB Spend Analysis Case Intro, RFX Competitive Advantage & Organization	HW1-Supply Network	LYB Case in Canvas
Th	4 Online	27-Jan	Commodity Strategy Development and Management, Supplier Quality Management, Supplier Management and Development		
T	5 Classroom	1-Feb	LYB Spend Analysis Case Discussion--Individual Analysis LYB 2/Presentations by Group	HW2/3-Spend and RFQ, present	
Th	6	3-Feb	Management and Development Strategy Development & Supplier evaluation and Selection		
T	7	8-Feb	EDPr case	HW4-EDPr	EDPr case posted on Canvas
Th	8	10-Feb	7 Steps, Market Studies and the Development of Strategy		
T	9	15-Feb	Strategic Cost Management/Total Cost of Ownership		
Th	10	17-Feb	Market Study Discussion/Supplier Evaluation	HW5/6 Mkt Study	
T	11	22-Feb	Supplier Evaluation, Impact of Current Environment, Tentative Guest speaker		
Th	12	24-Feb	Feed and Sleep Baby Doll case	HW7--FSBD case	FSBD on Canvas
T	13	1-Mar	Strategic Cost Management/Total Cost of Ownership (Cont.)	HW8	
Th	14	3-Mar	Global Sourcing		
T	15	8-Mar	Negotiation	Paper Draft	
Th	16	10-Mar	Case: Sport Obermeyer with TCO	HW9--SO	SO in Course Packet
T	17	15-Mar	Spring Break		
Th	18	17-Mar	Spring Break		
T	19	22-Mar	Contract Management	Final paper	
Th	20	24-Mar	Contract Management, Laws and Ethics, C3 and City of Austin pairings		
T	21	29-Mar	Case: "Strategic sourcing: To make or not to make" and Cummins "B"	HW10--nego	HW on Canvas, Strategic Sourcing/TMONTM reading--packet, "B" case on Canvas
Th	22	31-Mar	Tentative Guest Speaker	HW11--Cummins	
T	23	5-Apr	Sustainability Sourcing--Case	HW12--Wright & Sons	Case in Canvas
Th	24	7-Apr	Reverse Auction		Canvas
T	25	12-Apr	Case: Nike -- Ethics and CSR	HW13--Nike	Case and Readings in packet
Th	26	14-Apr	EDPr case		Review EDPr case
T	27	19-Apr	Sustainability and Ethics, COVID-19 case		Case on Canvas
Th	28	21-Apr	Tentative Guest Speaker		
T	29	26-Apr	Presentations Teams 1-5		
Th	30	28-Apr	Presentations Teams 6-10		
T	31	3-May	Wrap up		
Th	32	5-May	Hasler's Rules and Survey	Final team paper due	