

MKTG 333 PURCHASING & SUPPLY CHAIN MANAGEMENT SPRING SEMESTER, 2007

Professor: Dr. Mark F. Hartley
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Class Hours: MKTG 333-001: MWF, 9:00 – 9:50 AM, Beatty #131
DSCI 304-001: MWF, 10:00 – 10:50 AM, Beatty #130
DSCI 304-002: MWF, 12:00 – 12:50 PM, Beatty #131
Office Hours: MWF: 8:30 – 9:00 AM and 11:00 AM – 12:00 noon
MW: 2:00 – 3:30 PM
Other hours are always available by appointment.

Course Catalog Description:

The organization and operation of the procurement function and the acquisition and management of materials, with emphasis on quality control, sources of supply, pricing policies, legal considerations, and standards of performance.

Prerequisites: Junior Standing (60 or more completed hours)

Required Text: Purchasing and Supply Management, 13th Edition, 2006
by Leenders, Johnson, Flynn, & Fearon, McGraw Hill - Irwin

Grading Scale:	A (4.0) 93-100	A- (3.7) 90-92.99	B+ (3.3) 88-89.99
	B (3.0) 83-87.99	B- (2.7) 80-82.99	C+ (2.3) 78-79.99
	C (2.0) 73-77.99	C- (1.7) 70-72.99	D+ (1.3) 68-69.99
	D (1.0) 63-67.99	D- (0.7) 60-62.99	F (0.0) 0-59.99

Approximate Grade Composition:	EXAMS (3)	80% (equal weight)
	OTHER	20%

EXAMS will cover outlined material from the text as well as any research presentations by class members, talks by guest speakers, and/or required readings and handouts.

“OTHER” includes assigned outside Internet and library research on specific topic areas of the course, presentations to the class regarding your research, reports from the required readings and cases, attendance, promptness, and especially CLASS PARTICIPATION. No assignments will be accepted for credit in hand written form unless explicitly directed to do so. When e-mailing homework, in the subject box, type MKTG333, the assignment number, & your name. Note that habitual tardiness and/or absences WILL affect the “other” portion of your grade.

Late Assignments: Assignments handed in for credit after I've called for them will be penalized 50 points per 24 hours late (or fraction thereof).

Make-Up Exams: Regular exams will not be made up for any reason. Should you miss an exam, a comprehensive final exam COULD be substituted in its place. However, only under the utmost extreme case will your grade be obtained in this manner, and permission of the instructor

is required to obtain your grade in this manner. You really don't want to do this.

Attendance Policy: Prompt and consistent attendance is necessary for this course. Attendance will be kept each class period. Excessive absences will result as follows:

Absences #1, 2, 3, 4, 5: Allowed for any and all reasons. No need to explain.

Absence #6 and higher: 3 points deducted from your final average per class missed.

Also, you WILL be responsible for any assignments due when you're absent, and you WON'T be given credit for homework someone else hands in for you when you're absent from class.

Honor Code: Cheating in any form is NOT allowed and will be rewarded, AT A MINIMUM, with a grade of F in the course. If copying is involved, both parties will be judged equally guilty.

Basic Requirements:

1. Bring your textbook to class each day.
2. Keep a binder or folder for your class notes and handouts. Bring it to class each day.
3. Bring a calculator to class each day, and know how to operate it properly.
4. Keep all of your hand-in assignments backed up on 3.5" disks during the semester.
5. If you don't have one already, obtain an e-mail account immediately.
6. Be on time. Habitual tardiness WILL affect class participation portion of your grade.

Finally: If a problem develops during the course or if you feel you need extra help with concepts, don't hesitate to come to my office for help. Use my office hours for your benefit. That's why I have them. This ISN'T a hard, heavily quantitative course, it's a FUN and very useful course, and I'm positive you will enjoy it !

General Course Outline:

→ **EXAM 1 Material** (pages 1-177)

1. **PURCHASING AND SUPPLY MANAGEMENT:** Supply Contribution, decision making in the supply management context, differences between commercial and consumer acquisition, challenges over the next decade.
2. **SUPPLY ORGANIZATION:** Objectives of supply management, organizational structures, supply activities and responsibilities, supply teaming.
3. **SUPPLY PROCESSES:** The supply management process, steps in the supply system, policy and procedures manual.
4. **INFORMATION SYSTEMS AND TECHNOLOGY:** Information systems use in supply management, commonly used technology tools, E-Communications, E-marketplaces, implications for supply.
5. **QUALITY, SPECIFICATION, AND SERVICE:** Determination of need, methods of description, standardization and simplification, ISO-9000, Baldrige Award, TQM, QFD, inspection and testing, process quality control, supplier certification.
6. **QUANTITY AND INVENTORY:** Functions of inventories, ABC classification of goods, forecasting techniques, inventories, MRP, lean supply and JIT.

→ **EXAM 2 Material** (pages 178-369)

7. **TRANSPORTATION AND DELIVERY:** Logistics decisions, FOB terms, transportation industry segments, rates and pricing, documentation, expediting and tracing shipments, transportation and logistics strategy.
8. **PRICE:** Relation of cost to price, government influence on pricing, types of purchases, quotations and competitive bidding, forward buying and the commodities market.
9. **COST MANAGEMENT, DISCOUNTS, AND NEGOTIATION:** Cost management, discounts, negotiation.
10. **SUPPLIER SELECTION:** The supplier selection decision, evaluating potential sources of supply, evaluation methods, sourcing and strategy.
11. **INVESTMENT RECOVERY:** Environmental initiatives, benefits of effective disposal, categories of material for disposal, keys to profitable disposal, disposal channels.
12. **SUPPLY LAW AND ETHICS:** Legal authority and liability, the Uniform Commercial Code (UCC), common law, e-commerce and the law, product liability, commercial arbitration, ethics in supply management.
13. **RESEARCH AND METRICS:** Organization for supply research, research opportunities, performance measurement, establishing metrics, performance benchmarking.

→ **EXAM 3 Material** (pages 370-542)

14. **GLOBAL SUPPLY:** Importance of global supply, potential problem areas, information sources, intermediaries, countertrade, foreign trade zones, NAFTA, GATT.
15. **PUBLIC SUPPLY MANAGEMENT:** Characteristics of public versus private sector, the bid process, federal governmental purchasing, state and local government purchasing, the model procurement code, public supply changes.
16. **CAPITAL GOODS:** The challenge of procuring capital assets, sourcing issues, life cycle costing, new versus used equipment, lease versus buy for equipment, construction acquisition.
17. **SERVICES:** What makes services different, a framework for analyzing services, the acquisition process for services, third party service providers.
18. **MAKE OR BUY, INSOURCING, AND OUTSOURCING:** Make or buy, insourcing & outsourcing, purchasing's role in outsourcing.
19. **SUPPLIER RELATIONS:** Purchaser-supplier satisfaction matrix, partnerships, strategic alliances, reverse marketing, supply chain management.
20. **STRATEGY IN PURCHASING AND SUPPLY MANAGEMENT:** Levels of strategic planning, supply's role in strategic planning, major supply strategy areas, trends in purchasing and supply management, the future.