

OPRE 6371 Fall 2016 Syllabus

Course OPRE 6371 501: Purchasing, Sourcing and Contract Management

Professor Elena Katok

Term Fall 2016

Meetings Thursday 4-6:45, JSOM 1.102

Contact Information

Office Phone 972-883-4047

Office Location JSOM 3.201

Email Address ekatok@utdallas.edu

Office Hours Monday and Wednesday 2-3:30 and by appointment

Other information The best way to contact me is by email. If you call my phone and I am not there, do not leave voice mail; send email.

Teaching Assistant Rahul Balmuri

Office Location JSOM 2.604

Email Address rx154330@utdallas.edu

Office Hours Monday and Tuesday 10AM - noon and by appointment

General Course Information

Pre-requisites,
Co-requisites,
other
restrictions

OPRE 6301 is preferred as a pre-requisite, and should at least be taken concurrently. You should be comfortable using basic Excel.

Course Description Costs associated with purchasing often account for as much as 80% of the final product cost. This means that even a small decrease in these costs can have a significant impact on the bottom line. Procurement involves a constant tension between decreasing costs and establishing cooperative relationships. Throughout this course we will be grappling with these two opposing forces. We will be examining competitive and cooperative situations in a variety of supply chain settings in which performance depends on the interactions between a variety of decision makers, including customers, suppliers, competitors, and government regulators.

After completing this course:

- Students should be able to list and describe the steps of the strategic sourcing.
- Students should be able match the appropriate sourcing strategy to a product or service.

Learning
Outcomes

- Students should be able to list at least five major metrics for evaluating and selecting suppliers.
- Students should be able to analyze strategic interactions involved in purchasing and sourcing using simple game-theoretic models.
- Students should be able to apply conceptual models to the make vs. buy decision and use this analysis to propose make vs. buy recommendation.
- In a distributive negotiation, students should be able to calculate BATNA and reservation prices.
- Students should be able to name the four major types of procurement auction mechanisms.
- For each of the four procurement auction mechanisms, students should be able to describe (in writing) the optimal bidding strategy.
- Students should be able to define and explain important elements of procurement auction design, such as: Reservation price, Activity rules, Ending rules, Jump bidding, Proxy bidding-
- Students should be able to recognize and name at least three different obstacles to collaboration between buyers and suppliers.
- For each obstacle to collaboration, students should be able to propose in writing, a recommended solution.

Required
Texts and
Materials

1. Course eLearning web site contains lecture notes, readings, and other materials.
2. [Course packet containing cases available electronically through HBS portal. Check under Readings on eLearning.](#)

Assignments and Academic Calendar: [Available under Course Content on eLearning.](#)

The descriptions and timelines contained in this syllabus are subject to change at the discretion of the Professor.

Fall 2016 Class Schedule

Week	Date	Class Content	In-Class Assignments	Homework Assignments	Readings
1	8/25	Lecture: Course Introduction Lecture: Strategic Sourcing Process	Simple Games Simulation		
2	9/1	Lecture: Understanding Strategic Thinking Lesser Case Discussion Strategy	Pricing Simulation Strategy	Lesser Shipping Strategy	Article: Structuring a Competitive Analysis: Decision Trees, Decision Forests, and Payoff Matrices (Course Packet)

3	9/8	Vignettes presentations Lecture: Strategic Sourcing process	Presentation	Assignment	
4	9/15	Eagle Industries case discussion Lecture: Cost Modeling Lecture: Sourcing Channels		Eagle industries	7-Steps for Sourcing Information Products.
5	9/22	Supplier Selection and Evaluation Lecture: Make vs. Buy	Commodity Matrix	Cost Modeling Assignment	Article: Which Sourcing Channels are right for you?
6	9/29	Scotts Case Discussion Lecture: Supplier Scorecards	Scorecard Simulation	Scott's Miracle Gro	Make vs. Buy Revisited
	10/3 - 10/5	Midterm Exam: At the testing center			
7	10/6	Metalcraft Case Discussion Lecture: Auction Formats	Jar-of-pennies auction	Metalcraft	Article: Introduction to procurement Auctions Part 1
8	10/13	Lecture: TCO Auctions	Sealed Bid and Open Bid Auctions		Article: Introduction to procurement Auctions Part 2
9	10/20	Casturn Systems case discussion. Lecture: Managing Long-Term Relationships		Casturn Systems (A) and (B)	Article: Introduction to procurement Auctions Part 3
10	10/27		F-100 Simulation	Pushing The-Envelop (A) & (B)	
11	11/3	Negotiations Lecture: Collaborative Forecasting	Grays.com Negotiation		Getting to Yes Ch. 2&3
12	11/10	Henkel Case	CPFR Simulation	Henkel (A)	Article: Collaborative Planning, Forecasting & Replenishment (CPFR)

		Discussion		
13	11/17	Auctions and Negotiations in complex markets	Spectrum Simulation	
	11/24	Thanksgiving Break: no class		
14	12/1	Lecture: Risk and Ethics Ikea Case Discussion	Cutting Corners Simulation	Ikea (A)
	12/12-12/15	Final Exam: At the testing center		
		Exam		
		In-Class Simulation		
Color		In-Class Group Presentation		
Code		Homework: Group Case Study		
		Homework: Individual Assignment		
		No Class		

Course Policies

Grading (credit) Criteria	<ul style="list-style-type: none"> • In-class simulations and presentations (10 @ 2%) 20% (There are 12 in class assignments in total; you need 10 for full credit) • Group case studies (7 @ 3%) 21% • Individual Homework Assignments (3 @ 3%) 9% • Midterm Exam 20% • Final Exam 20% • Class Participation and Preparation 10%
Grading Scale	<ul style="list-style-type: none"> • 100-93 A • 92-90 A- • 89-85 B+ • 84-82 B • 81-78 B- • 77-75 C+ • 74-60 C • 59-50 D • Below 50 F
Make-up Exams	<p>There will be no make-up exams. Do not schedule any travel that interferes with the scheduled exams.</p> <p>I do not take attendance. Attending class is your responsibility. By the end of the semester I will know who usually attends class. If you miss class, you are responsible</p>

Class Participation and Preparation for making up missed material. There will not be a way to make up in-class simulations beyond the three extra-credit simulations. Participation grade will be based on your contribution to case and simulation discussions. As a rough guideline, if you usually attend class and occasionally contribute to discussion, your likely participation grade will be an 8 (out of 10). If you almost never speak, your grade will be below 8, even if you have perfect attendance. To earn a grade above 8 you will need to contribute to the discussion on a regular basis. Ultimately, participation grade is subjective and I reserve the right to adjust it as I see fit based on individual circumstances.

Group Work You will submit peer evaluations for all your group members. These evaluations should be based primarily on the effort. Individual group grade may be adjusted based on the peer evaluation. It is important that any group problems are brought to my attention as soon as possible (do not wait for end of semester peer evaluations). If a group member is has not done his or her fair share for two assignments, inform me immediately.

Classroom Citizenship

- Please put your phones on vibrate and refrain from answering them except in an emergency. Please leave the classroom if you have to answer the phone.
- Do not text in class.
- Do not use email in class.
- Do not browse the web in class.
- Use your laptop to take notes and participate in assignments only.

The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrates a high standard of individual honor in his or her scholastic work.

Academic Integrity Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings. Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.

Recommended action for violations of academic integrity will be a zero on the assignment (for the entire group if this was a group assignment). Failure to cite any material used to complete the assignment will be considered plagiarism and will result in the above-mentioned action. On an exam this is likely to result in failing the course.

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each

- Email Use individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.
- UT Dallas Syllabus Policies and Procedures *The information contained in the following link constitutes the University's policies and procedures segment of the course syllabus.*
- Please go to <http://go.utdallas.edu/syllabus-policies> for these policies.