

## **Course Description**

## MAN4570 | Purchasing for Industry | 3.00 credits

Students will learn purchasing for industry concepts and theory, including negotiation skills: mastering the art of deal making strategies, contracts: bidding, evaluation, negotiation & award, purchasing management, tendering & supplier selection, vendor qualification: managing performance & contract compliance.

## **Course Competencies:**

**Competency 1:** The student will understand purchasing fundamentals by:

- 1. Showing how to conduct a purchasing process, identify the best potential suppliers, and effectively prioritize requisitions
- 2. Categorizing suppliers, such as sole source, single source, preferred, and approved
- 3. Demonstrating when to use competitive bidding, negotiation, or both
- 4. Conducting competitive bidding using solicitation tools such as RFPs and RFQs
- 5. Utilizing price analysis, cost analysis, and total cost of ownership (TCO) analysis to evaluate supplier pricing and offer
- 6. Evaluating the use of contracts, purchase order, or other method of ordering for certain purchases
- 7. Deciding when to select the most appropriate shipping terms for a purchase
- 8. Understanding legal issues impacting the terms and conditions that govern supplier obligations

Competency 2: The student will explore Microsoft Excel to create purchasing models by:

- 1. Assessing competitiveness of supplier pricing through developing "Should Cost Models"
- 2. Assessing elements of supplier capabilities by creating weighted average supplier scorecards
- 3. Utilizing Excel's decision support features for procurement analysis
- 4. Comparing bids, analyzing spend, and tracking supplier performance by creating charts
- 5. Utilizing PivotTables, functions, and subtotals to summarize large amounts of purchasing data
- 6. Developing "Target Pricing Models" for negotiation strategy
- 7. Demonstrating drilling into complex purchasing spreadsheets using filtering, conditional formatting, and VLOOKUP
- 8. Utilizing macros to free up time for strategic purchasing work

**Competency 3:** The student will comprehend Purchasing Best Practices by:

- 1. Strategically measuring purchasing performance
- 2. Implementing a buying plan
- 3. Identifying suppliers using cross-functional commodity teams, scorecards, and total cost of ownership analysis
- 4. Improving vendor performance through a supplier performance management program
- 5. Understanding how to: Optimize supplier relationships, improve risk management, Map and improve processes, Leverage technology such as eProcurement and Internet Reverse Auctions, Conduct benchmarking, Achieve efficiency through the systemization of purchasing operations, Utilize a strategic plan

**Competency 4:** The student will review Contracts: Bidding, Evaluation, Negotiation & Award by:

- 1. Defining the bidding cycle and strategies
- 2. Identifying the different options of bidding
- 3. Learning ways to maximize the value of supplies and services
- 4. Defining the essential bid documentation
- 5. Applying best practices in screening vendors and prequalification
- 6. Identifying different negotiation styles and tactics
- 7. Developing advanced practices in the bidding and evaluation process
- 8. Defining the contract pre-award and post-award activities

**Competency 5:** The student will review vendor qualification, managing performance & contract compliance by:

- 1. Understanding the structure of a sustainable vendor qualification program
- 2. Exploring checklists and other vendor qualification documents
- 3. Determining how to determine the best potential vendor
- 4. Identifying what a potential vendor needs to supply before qualification
- 5. Recognizing how to estimate costs and time associated with vendor qualification
- 6. Defining common pitfalls to avoid when qualifying vendors
- 7. Developing meaningful performance measures
- 8. Learning how to use those performance results for continuous improvement

## Learning Outcomes:

- Communicate effectively using listening, speaking, reading, and writing skills
- Use quantitative analytical skills to evaluate and process numerical data
- Solve problems using critical and creative thinking and scientific reasoning
- Formulate strategies to locate, evaluate, and apply information