

# MS6323: STRATEGIC SOURCING AND PROCUREMENT

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## Effective Term

Semester B 2024/25

## Part I Course Overview

### Course Title

Strategic Sourcing and Procurement

### Subject Code

MS - Department of Decision Analytics and Operations

### Course Number

6323

### Academic Unit

Department of Decision Analytics and Operations (DAOS)

### College/School

College of Business (CB)

### Course Duration

One Semester

### Credit Units

3

### Level

P5, P6 - Postgraduate Degree

### Medium of Instruction

English

### Medium of Assessment

English

### Prerequisites

Nil

### Precursors

Nil

### Equivalent Courses

Nil

### Exclusive Courses

Nil

## Part II Course Details

### Abstract

This course introduces the concepts, principles and methods for strategic sourcing and purchasing and their implementation in practice. We start from introducing key drivers of purchasing processes and the strategic roles and values of purchasing and supply management in value chains and discussing how to align a firm's purchasing and sourcing strategy with its corporate strategy and introduce a portfolio analysis approach. We then introduce the core topics in strategic sourcing: supplier evaluation, selection and relationship management, global sourcing strategy, service outsourcing/E-sourcing/crowdsourcing, financial and risk management in sourcing, supply chain finance, negotiation, contracting and legal issues, green sourcing and sustainability issues, and market research method and data analytics in strategic sourcing, etc. We also invite professional guest speakers to introduce industrial practices. The form of the course delivery consists of lectures, case studies, individual/group coursework, presentations and interactions with practitioners.

### Course Intended Learning Outcomes (CILOs)

CILOs		Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Demonstrate competence in using appropriate frameworks to identify supply needs and determine the strategy and business process of sourcing.	25		x	
2	Employ and design concepts, metrics and models to qualitatively and quantitatively evaluate and select potential vendors and manage supplier relationship.	25		x	
3	Identify the risks and financing strategies in sourcing.	25		x	
4	Conduct case study arising from real-world situations.	25			x

#### A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

#### A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

#### A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

### Learning and Teaching Activities (LTAs)

LTAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Lecture	Students will understand the concepts and frameworks for sourcing and procurement processes, and real world complexities.	1, 2, 3, 4

2	Class participation	Students will be expected to attend all classes and be proactive in asking and answering questions originated from textbook material, additional reading materials, and cases.	1, 2, 3, 4	
3	Group Project, Case Studies and Presentation	Students will form groups to conduct case studies based on a real-world example. Presentation sessions will then be arranged to have open discussions. They will then submit a business report and a presentation slide to summarize their findings and provide insights.	1, 2, 3, 4	

**Assessment Tasks / Activities (ATs)**

ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)	
1	Group project, case studies report and presentations	1, 2, 3, 4	40	30% for report, and 10% for presentation
2	Class participation	1, 2, 3, 4	20	

**Continuous Assessment (%)**

60

**Examination (%)**

40

**Examination Duration (Hours)**

2

**Assessment Rubrics (AR)****Assessment Task**

1. Group project, case studies report and presentation (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Capacity to analyse the real-world cases and ability to employ principles and methods to explain the findings and insights, and conduct a presentation.

**Excellent**

(A+, A, A-) High

**Good**

(B+, B, B-) Significant

**Fair**

(C+, C, C-) Moderate

**Marginal**

(D) Basic

**Failure**

(F) Not even reaching marginal levels

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**Assessment Task**

2. Class participation (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Attend the lectures and engage in class discussions.

**Excellent**

(A+, A, A-) High

**Good**

(B+, B, B-) Significant

**Fair**

(C+, C, C-) Moderate

**Marginal**

(D) Basic

**Failure**

(F) Not even reaching marginal levels

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**Assessment Task**

3. Examination (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Attend the lectures and engage in class discussions.

**Excellent**

(A+, A, A-) High

**Good**

(B+, B, B-) Significant

**Fair**

(C+, C, C-) Moderate

**Marginal**

(D) Basic

**Failure**

(F) Not even reaching marginal levels

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**Assessment Task**

1. Group project, case studies report and presentation (for students admitted from Semester A 2022/23 to Summer Term 2024)

**Criterion**

Capacity to analyse the real-world cases and ability to employ principles and methods to explain the findings and insights, and conduct a presentation.

**Excellent**

(A+, A, A-) High

**Good**

(B+, B) Significant

**Marginal**

(B-, C+, C) Moderate

**Failure**

(F) Not even reaching marginal levels

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**Assessment Task**

2. Class participation (for students admitted from Semester A 2022/23 to Summer Term 2024)

**Criterion**

Attend the lectures and engage in class discussions.

**Excellent**

(A+, A, A-) High

**Good**

(B+, B) Significant

**Marginal**

(B-, C+, C) Moderate

**Failure**

(F) Not even reaching marginal levels

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**Assessment Task**

3. Examination (for students admitted from Semester A 2022/23 to Summer Term 2024)

**Criterion**

Attend the lectures and engage in class discussions.

**Excellent**

(A+, A, A-) High

**Good**

(B+, B) Significant

**Marginal**

(B-, C+, C) Moderate

## Failure

(F) Not even reaching marginal levels

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### Additional Information for AR

#### 1. Fundamentals of Sourcing and Procurement

Learning Objectives:

- Understand strategic role of purchasing and strategic sourcing in value chains
- Understand key drivers of purchasing and sourcing processes

#### 2. Strategic Sourcing and Business Strategy

Learning Objectives:

- Know how to align purchasing and sourcing strategies with corporate strategies
- Know how to use the portfolio approach in purchasing

#### 3. Supplier Evaluation, Selection, and Relationship Management

Learning Objectives:

- Know how to select suppliers
- Understand Key Performance Indicators (KPIs) of Purchasing
- Know Balanced Scorecard (BSC) and Analytical Hierarchy Process (AHP) approaches
- Know how to manage supplier relationship

#### 4. Global Sourcing, Offshoring and Reshoring

Learning Objectives:

- Understand global trends and sourcing evolution
- Understand how to source globally
- Understand key driving forces of offshoring and reshoring

#### 5. Service Outsourcing, E-Sourcing and Crowd Sourcing

Learning Objectives:

- Understand service outsourcing
- Understand E-sourcing and crowd sourcing

#### 6. Supply Chain Financing and Risk Management in Purchasing and Sourcing

Learning Objectives:

- Know how to manage trade credit and working capitals in sourcing
- Know how to identify, assess and mitigate risks in sourcing
- Know how to manage commodity risk in spot and derivatives markets

#### 7. Negotiations and Competitive Auctioning and Bidding

Learning Objectives:

- Understand negotiation strategies
- Understand competitive auctioning and bidding

#### 8. Contracting and Legal Issues in Sourcing

Learning Objectives:

- Know how to design purchasing contracts
- Know legal Issues in Sourcing

#### 9. Green Sourcing and Social Responsibility

Learning Objectives:

- Understand green sourcing and sustainability issues in purchasing
- Understand social responsibility in sourcing

#### 10. Sourcing Market Research and Data Analytics (TBD)

Learning Objectives:

- Understand how to conduct sourcing market research
- Understand how to analyze market data to provide insights

## Part III Other Information

### Reading List

#### Compulsory Readings

Title	
1	Handfield, Monczka, Giunipero, Patterson. Sourcing and Supply Chain Management, 6th edition, 2016 (recommended)

#### Additional Readings

Title	
1	Van Weele, A., 2014, Purchasing and Supply Chain Management, Cengage (recommended)
2	Chopra, S., and P. Meindl, Supply Chain Management: Strategy, Planning and Operation, 6th ed., Prentice Hall, 2015, New Jersey.
3	Simchi-Levi, D., P. Kaminsky, and E. Simchi-Levi, Designing and Managing the Supply Chain, 3rd ed., McGraw-Hill, 2007, New York.