

# Purchasing I

## BA 156

### **This is a WAOL Course**

**2004-2006**

### **Technical Requirements**

A PC capable of running Internet Explorer 5.0 or a Macintosh capable of running IE 5.1

CD-ROM drive

Sound card

Connection to the Internet

Word processing program compatible with Word 95

### **Course Description**

Course is an introduction to the basic principles of purchasing and supply chain management. Emphasis is on understanding purchasing and supply processes, organizational concepts, policy, relationships, and tools and techniques including cost/price analysis, and value analysis. Key modules are:

- ◆ The purchasing process
- ◆ Organizational issues
- ◆ Policies and procedures
- ◆ Purchasing linkages and relationships
- ◆ Purchasing tools and techniques
- ◆ Price and cost analysis
- ◆ Negotiations
- ◆ Creating and managing contracts
- ◆ Basic legal issues

### **Learning Outcomes**

- ◆ Experience BlackBoard software (UR)
- ◆ Demonstrate an understanding of the competitive business environment and its impact on purchasing (DL)
- ◆ Demonstrate an understanding of activities normally associated with purchasing and the basic evolution and development of purchasing (DL)

- ◆ Describe at least 5 basic purchasing objectives associated with successful organizations (DL)
- ◆ Describe at least 6 functions normally performed by a purchasing organization (DL)
- ◆ Recognize when and how to use the purchasing cycles, documents, and tools to plan and conduct a given buy (DL, CT)
- ◆ Apply the purchasing cycle concept to a given situation (CT)
- ◆ Describe basic types of purchasing and recognize how each type's purchasing cycle may differ. Identify your term research project topic. (DL)
- ◆ Describe basic purchasing organizational structures and the normal activities assigned to a purchasing, supply or materials management organization (DL)
- ◆ Demonstrate an understanding about organizing the purchasing/supply activity and the assignment purchasing authority (DL)
- ◆ Describe the value, strength, weakness, and hierarchy of an organization's policies and procedures (CT)
- ◆ Recognize effective policies and procedures and understand the factors that make them effective (CT)
- ◆ Demonstrate an understand about using basic policies and procedures to make decisions relating to basic business activities (DL, CT)
- ◆ Demonstrate a basic understanding of ethical concepts and business practices (DL, CT)
- ◆ Demonstrate an understanding of when and how to use purchasing and supply management cross-functional teams (DL, CT)
- ◆ Describe at least four buyer-seller relationships and an understanding of contemporary buyer-supplier issues (DL)
- ◆ Demonstrate an understanding of the relationships, communications, and linkages between purchasing and the organization's other functional groups (DL, CT)
- ◆ Demonstrate an understanding of the new product development process and purchasing role (DL, CT)
- ◆ Demonstrate the ability to conduct quantity discount analysis (DL, CT)
- ◆ Demonstrate an understanding of the learning curve concept, including when and how to apply (CT)
- ◆ Demonstrate an understanding of the value analysis process. Conduct an actual value analysis on a selected product (CT)
- ◆ Describe the project management concepts, including knowing the phases of a project and how to apply basic network tools (DL)
- ◆ Describe the process mapping process and when and how to use (DL, L, CT)
- ◆ Demonstrate an understanding of factors affecting price (DL)
- ◆ Demonstrate an understanding of total cost of ownership and its impact on source selection (DL, L)
- ◆ Describe at least 4 seller's pricing strategies and understand how each strategy influences the supplier's selling price (DL, L, CT)
- ◆ Demonstrate an ability to conduct price analysis (DL, CT)
- ◆ Demonstrate an understanding and an ability to conduct cost analysis (CT)
- ◆ Describe the use break-even analysis, the learning curve, and cost accounting concepts when conducting cost analysis (DL, L, CT)
- ◆ Demonstrate an understanding for the negotiation process (DL)

- ◆ Demonstrate the ability to develop a negotiation plan (DL, CT)
- ◆ Demonstrate an understanding of negotiation tactics, including power, concessions and outcomes (DL, L)
- ◆ Demonstrate an understanding of domestic and international negotiations (DL)
- ◆ Demonstrate the use of basic concepts and methods for creating and managing contracts (DL, CT)

## **Method of Assessment**

The number and quality of weekly discussion threads posted by students are evaluated and appropriately 45 to 70 points per week are allocated. Discussion threads include an assigned case study, online discussions, Internet research and lecture notes. The Instructor assigns questions and the students' discussion and comment on other student replies. Three quizzes and a term research paper are also assigned.

## **Diversity Issues**

Students are expected to engage in respectful academic conversation when posting to the discussion threads or engaging in any conversation with others. Students are asked to listen with respect to all ideas and give the writer/speaker due consideration. Different points of view will be encouraged. Racial and/or gender slurs will not be tolerated. Verbal or written sexual harassment will not be tolerated.

## **Course Content**

### **Introduction to Purchasing:**

The Purchasing and Sourcing Environment  
 Purchasing, Supply Chain, and Sourcing Management Fundamental  
 Development and Evolution of Purchasing

### **The Purchasing Process:**

Objectives for the Purchasing Organizations  
 Purchasing Influence and Span of Control  
 The Purchasing Cycle  
 Purchasing Documentation

### **Purchasing Organizations:**

Purchasing Organizational Options  
 Purchasing in the Organizational Hierarchy  
 Placement of Purchasing Authority  
 Organizing for Tactical Purchasing  
 Organizing for Supply Chain Management  
 Organizing for Global Sourcing

Teaming in the Purchasing Organization

### **Purchasing's Policy and Procedures:**

- Purchasing Policy and Procedure Overview
- Organizational Strategies Influence on Purchasing and Sourcing Policies
- Purchasing Policy
- Purchasing Procedures
- Purchasing Ethics

### **Purchasing's Relationships, Linkages, & Involvement:**

- Purchasing linkages
- Buyer-Seller Relationship
- Internal Purchasing Relationships
- Cross-Functional Teams
- Purchasing and Engineering

### **Purchasing Tools and Techniques:**

- Supply Positioning Analysis
- Quantity Discount Analysis
- Value Engineering
- Value Analysis
- Learning Curve
- Project Management

### **Cost-Price Analysis Tools and Techniques:**

- Price and Cost Overview
- Factors Effecting Price
- Price Analysis Techniques
- Total Cost of Ownership
- Cost Analysis Techniques
- Cost-Based Pricing
- Innovative Cost Accounting Systems

### **Using Negotiations:**

- Negotiation Process
- Negotiation Planning
- Power of Negotiation
- Concessions and Strategies
- Negotiation Tactics
- Win-Win Negotiation Technique
- International Negotiation
- Negotiating project

### **Legal Issues:**

- Legal influences on procurement and sourcing
- Legal authority and personal liability
- Sources of U. S. law

Purchase order contract  
Warranties  
Cancellation of orders and breach of contract  
Delivery terms and transportation issues  
Patents and intellectual properties

### **Contract Management:**

Types of contracts  
Contract administration processes  
Special contractual arrangements  
Settling contractual disputes

### **Participation Policy**

It is understood that one of the main motivations for taking an online course is that other obligations make it difficult or impossible to attend scheduled, "on-the-ground" college classes. Therefore, the basic unit of time in the course is **the week**. Tests will be taken and material will be posted or otherwise turned in by a specific deadline, but you will always have at least a week's warning about exactly what is due on that date so that you can do it any time during the week.

You will need to spend about 15 hours a week on the course, in reading, thinking, writing, discussing your ideas with others, and in online sessions. You should log onto BlackBoard to attend the cyber classroom at least 5 times a week, but **when** you do so and from where, of course is up to you. It is best to log in to BlackBoard at least once a day, if just to retrieve and print your e-mail. If you procrastinate and fail to log in for more than a few days, you will begin to get lost. Most people who drop out or fail online courses do so because they can't develop the habit of logging in daily to see what is going on and keep in touch with their discussion group.

**Grading Policy** – WAOL instructors must submit grades using the following grades only:

A+ = 4.0	B- = 2.7	D = 1.0
A = 4.0	C+ = 2.3	D- = 0.7
A- = 3.7	C = 2.0	F = 0.0
B+ = 3.3	C- = 1.7	
B = 3.0	D+ = 1.3	

## Additional Grading Policy

Grading will be based on student performance in the following activities

<b>Activity</b>	<b>Maximum Points</b>
Three quizzes	150 points
Final Examination	100 points
Participation in weekly threaded discussions	360 points
Mock Negotiations assignment	90 points
Research Project	100 points
Total Points	<hr/> 800 points

A decimal grading is required in this course. This course may not be taken on a pass/fail basis. Decimal grades are calculated by dividing the number of points earned by the maximum available. By using the chart below the student will be able to convert that percentage into a letter grade.

## Course Schedule

10 weeks, asynchronous with a one week introduction period before instruction begins

## Method of Instruction

Online over the Internet using Eduprise and BlackBoard software.

## Technical Support

TECHNICAL SUPPORT – for help with BlackBoard or WebCT issues. Available 24 hours a day, 7 days a week from Eduprise.

To contact technical support:

- Visit the Eduprise Customer Support web page at <http://eduprise.custhelp.com>.
- These questions are answered by technical staff at Eduprise and should relate directly to BlackBoard or WebCT.
- Call the Eduprise Help Desk at 877-725-4357

HELP DESK – for help with your student account, services, and other non-technical issues. Options include:

- Visit our Frequently Asked Questions site, where you can find answers to questions that have been submitted by other students. You can also ask questions that will be answered by WashingtonOnline Staff within 48 hours.
- Call WashingtonOnline at 1-888-580-9011 (outside Spokane, WA) or 509-533-3005. Our friendly staff is available to help 8 .m. to 5 p.m. Pacific Time, Monday – Friday.

## **Student Rights and Responsibilities**

### **RIGHTS**

You have the right to expect that your instructor will:

- ✓ provide a comprehensive syllabus and course calendar
- ✓ display all due dates for readings, tests, and papers
- ✓ grade or otherwise respond to all tests and papers as stated in the syllabus
- ✓ monitor your participation in the cyber classroom weekly and occasionally comment on it
- ✓ inform you of your current grade and relative class standing upon request
- ✓ respond to any e-mail and answer all appropriate questions
- ✓ behave in a professional manner, respecting you as an individual of intelligence and sensitivity

### **RESPONSIBILITIES**

As students, you have the responsibility to:

- ✓ behave to all others in the class in a professional manner, being especially careful in e-mail and other electronic communications to avoid personal attacks, harsh criticisms, and objectionable language
- ✓ pay attention to the course calendar, keep up with the course work, submit your work in on time, and support your group members to establish a genuine learning community

### **Participation Policy**

It is understood that one of the main motivations for taking an online course is that other obligations make it difficult or impossible to attend scheduled, “on-the-ground” college classes. Therefore, the basic unit of time in the course is the module (6 days for the summer session). Material will be posted or otherwise turned in by a specific

deadline, but you will always have at least a weeks warning about exactly what is due on that date so that you can do it any time during the week.

You will need to spend about 20 hours a week on the course, in reading, thinking, discussing your ideas with others, and in online sessions. You should log onto Eduprise to attend the cyber classroom at least 5 times a week, but when you do so and from where, of course, is up to you. It is best to log in to your classroom at least once a day, if just to retrieve and print your e-mail. If you procrastinate and fail to log in of more than a few days, you will begin to get lost. Most people who drop out or fail online classes do so because they can't develop the habit of logging in daily to see what is going on and keep in touch with their discussion group.