

# BADM-2162: INTRODUCTION TO SUPPLY MANAGEMENT

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## Cuyahoga Community College

**Viewing: BADM-2162 : Introduction to Supply Management**

**Board of Trustees:**

December 2021

**Academic Term:**

Fall 2022

**Subject Code**

BADM - Business Administration

**Course Number:**

2162

**Title:**

Introduction to Supply Management

**Catalog Description:**

Analysis of supply management and specifically purchasing's role in industrial and service organizations. Description of purchasing progression to supply management, purchasing and supplier relationships, purchasing's role in new product development, specifications and standardization, quality, supplier selection, make or buy, outsourcing, pricing and cost analysis, total cost of ownership, value engineering and value analysis, and legal and ethical aspects of purchasing.

**Credit Hour(s):**

3

**Lecture Hour(s):**

3

## Requisites

**Prerequisite and Corequisite**

BADM-1020 Introduction to Business or concurrent enrollment.

## Outcomes

**Course Outcome(s):**

Analyze the progression of the profession from purchasing to supply management.

**Essential Learning Outcome Mapping:**

Critical/Creative Thinking: Analyze, evaluate, and synthesize information in order to consider problems/ideas and transform them in innovative or imaginative ways.

**Objective(s):**

1. Examine the interdependent relationships between the purchasing function and all other functions within the organization.
2. Examine the concept of supplier development and explain its necessity.
3. Evaluate the importance of supplier relationships as they impact the functioning of the supply chain.
4. Analyze the impact on the total cost of ownership (TCO) of products and materials as costs are incurred along the supply chain.

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**Course Outcome(s):**

Analyze the role of the supply management department in an industrial and service setting and its importance.

**Essential Learning Outcome Mapping:**

Critical/Creative Thinking: Analyze, evaluate, and synthesize information in order to consider problems/ideas and transform them in innovative or imaginative ways.

**Objective(s):**

1. Evaluate the advantages and disadvantages of outsourcing.
  2. Assess the responsibility of the supply management practitioner in maintaining ethical standards and levels of social responsibility to stakeholders.
  3. Explain the value of having supply management practitioner and suppliers involved in new product development.
  4. Define standardization and simplification and explain how these concepts reduce costs and improve efficiencies in production and service processes.
  5. Explain the concept right quality and demonstrate an understanding of purchasing quality by comparing it to other concepts of quality.
  6. Describe how to create a cost analysis in a make or buy situation.
  7. Evaluate the four components of market structure as they relate to pricing theory within each structure.
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**Methods of Evaluation:**

1. Written case problem assignment
2. Term project
3. Written exams
4. Short research paper
5. Discussion Boards

**Course Content Outline:**

1. Supply Management Practitioner's role in modern organizations
  - a. Purchasing's importance to the organization
  - b. Purchasing's role
  - c. The purchasing function
  - d. Supply Management organization
2. The right quality
  - a. How quality is determined
  - b. How quality is described
  - c. Methods used in practice
  - d. Quality as compared to other concepts of quality
3. Specifications and standardization
  - a. Specifications - what and how
  - b. The meaning of standardization
  - c. Standardization and cost reduction
  - d. Simplification and standardization
4. The right source of supply
  - a. Supplier development vs. supplier's relations
  - b. Source of information on suppliers
  - c. Evaluating supplier performance
  - d. Problems of source selection
  - e. Strategic and tactical issues in supplier selection
  - f. Competitive bidding and negotiations
5. Outsourcing/offshoring
  - a. Benefits and risks of buying outside of the firm
  - b. Benefits and risks of buying offshore
  - c. The real cost of outsourcing/offshoring (TCO)
6. Pricing principles
  - a. Economics of pricing
  - b. Price analysis
  - c. Cost analysis
  - d. Discounting
7. Types of contracts and ordering agreements
  - a. Fixed price
  - b. Incentive
  - c. Cost-type
  - d. Long-term contracts

- e. Purchasing agreements
- f. System contracts
- 8. Buyer-seller ethics
  - a. Defining ethics
  - b. Free travel and meals
  - c. Reciprocity
  - d. Purchasing and small business
    - i. disadvantaged businesses
    - ii. minority-owned businesses
- 9. Insource or Outsource decisions
  - a. Strategic and tactical design
  - b. Factors influencing insource or outsource decision
  - c. The volatile nature of insource or outsource situations
  - d. Administration
  - e. Cost analysis
- 10. Legal aspects of purchasing
  - a. The uniform sales act
  - b. The uniform commercial code
  - c. Status of an agent
  - d. The purchase - what it takes to make a contract
  - e. The right of inspection and rejection
  - f. Title to goods
  - g. Warranties
  - h. Order cancellation and breach of contract
  - i. Arbitration vs. court

## Resources

D. Burt, S. Petcavage, R. Pinkerton. *Introduction to Purchasing*. New York: McGraw-Hill, 2017.

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P.F. Johnson . *Purchasing and Supply Management*. 16th ed. New York: McGraw-Hill, 2019.

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Monczka, Hanfield, Guiniper, & Patterson. *Purchasing and Supply Chain Management*. 7th ed. Boston: Cengage Learning, 2020.

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## Instructional Services

### CTAN Number:

Career Technical Assurance Guide CTSCM003

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