

PROCUREMENT AND SUPPLY CHAIN

(Prof. Corrado Cerruti)

RESPONSIBLE TEACHING MEMBERS:

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TESTIMONIALS - SUPPLY CHAIN EXPERTS:

Enrico Camerinelli – Senior Analyst at Aite Group

Bernardo Nicoletti – Director at Transigma

PRE-REQUISITES FOR THE COURSE:

None

COURSE OVERVIEW

The course aims to provide a conceptual understanding of what supply chains are as well as the key issues that need to be considered when designing, planning, or operating a supply chain. The course has a specific focus on the Procurement activities and on the impact of digital technologies on supply chains.

The theoretical elements provided will be framed in a practice-oriented view with the support of SCOR, one of the mostly widely adopted supply chain model. SCOR is an acronym for Supply Chain Operations Reference Model, which was developed to assist businesses in understanding, structuring, and evaluating the performance of supply chains.

LEARNING OBJECTIVES

KNOWLEDGE AND UNDERSTANDING

Develop a basic understanding of supply chain management and its role in the company. Develop a sound knowledge on the key drivers of Purchasing and its inter-relationships with strategy and other functions of the company (e.g. manufacturing, logistics and marketing). Master the Supply Chain Operations Reference Model (SCOR).

APPLYING KNOWLEDGE AND UNDERSTANDING

Apply analytical and problem solving skills necessary to develop solutions for a variety of Supply Chain and Purchasing and understanding what information should be exchanged in a supply chain/purchasing activity, how Information technologies can support it and digital transformation will impact on supply chain management and purchasing. Being able to apply the SCOR framework to actual business cases.

MAKING JUDGEMENTS

Identify key issues within purchasing within different industries and learning to quantify the improvements that various supply chain strategies can offer.

COMMUNICATION SKILLS

Summarize and present Supply Chain and Purchasing strategies. Discuss the implication of implementing analytical tools for Supply Chain Management and Purchasing.

LEARNING SKILLS

Analyse critically Supply Chain and Purchasing decisions. Discuss the implication of designing, planning, or operating a supply chain, in particular a digital supply chain.

STRUCTURE OF THE COURSE AND REFERENCE TEXTBOOK

The course is structured on four parts:

PART I: The core concepts of Supply Chain Management and Procurement:

- Supply Chain Management: an overview
- The role of purchasing in the value chain
- Industrial buying behaviour: Decision-making in purchasing
- The purchasing management process
- Buying business services
- Contract management for complex projects

PART II: Purchasing Strategy and planning

- Purchasing and business strategy
- Outsourcing and risk management

- Category sourcing: developing effective sourcing strategies
- Purchasing, innovation and quality management
- Purchasing, logistics and supply chain management
- Purchasing organization
- Performance measurement and governance in purchasing

PART III: Digital Supply Chains

- Impact of digital technologies on planning, procurement and logistics
- Definition of a digital strategy for the supply chain
- Overview of the emerging IT tools and their impact on the supply chain
- The relevance of blockchain technology for supply chain management

PART IV: SCOR® (Supply Chain Operating Reference) Model

- [Course section taught by Sergio Vacca]
- The origins and goals of the SCOR Reference Model framework.
- The structure of the SCOR Reference Model framework.
- The pillars of the SCOR framework: performance, processes, practices and people.
- The SCOR improvement program.

Some classes related to part I and II will be e-learning classes available on the course Moodle Platform.

The teaching method is based on a combination of theory/model and practical applications. The class material and additional documents/tools, helping to improve knowledge and skills, will be posted regularly during the course on the IaD Platform for use and consultation.

For Parts I and II the reference textbook is:

Arjan J. van Weele, Purchasing and Supply Chain Management: Analysis, Strategy, Planning and Practice, Cengage Learning, 7th Edition (2018)
Chapters 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12 and 13

For Part III the reference material is made of the course slides and reports from leading-edge consulting companies (included in the course website).

For Part IV: the reference material is made of slides and readings based on the Supply Chain Operations Reference Model developed by APICS/ASCM as a comprehensive open-source model well adopted by practitioners

<http://www.apics.org/apics-for-business/frameworks/scor>

The slides will be provided both on the course website and the Moodle platform. In the Moodle platform there will be also videos supporting the e-learning classes.

OTHER LEARNING SOURCES

Seminar articles (for non attending students):

- Fisher M. – What is the right supply chain for your product, HBR March-April 1997
- Lee H.L – The Triple-A supply chain, HBR October 2004
- Kraljic P. – Purchasing must become supply management, HBR Sept.-Oct. 1983
- Stalk G. – Time the next source of competitive advantage, HBR July-Aug. 1998

SCOR related readings:

- Supply Chain Excellence – Peter Bolstorff; Robert Rosenbaum - 2012. AMACOM books, division American Management Association International, New York, NY
- Fix Your Supply Chain – Paul C. Husby; Dan Starwood – CRC Press – Taylor and Francis Group
- Learning to See – Mike Rother; John Shook – Lean enterprise Institute. Cambridge, MA 02142 USA
- CAPS Research- Center for Advanced Procurement Strategy www.capsresearch.org

Videos on Part I and II:

- Ch1: <https://youtu.be/ZVd2cmoqdX0>
- Ch2: <https://youtu.be/48YPBZsHTpl>
- Ch3: <https://youtu.be/DO9lunEKoGc>
- Ch4: <https://youtu.be/7otetvMMQ7o>
- Ch5: <https://youtu.be/Ha6egB7N4tM>
- Ch7: <https://youtu.be/5CEsqyB3v0>
- Ch8: <https://youtu.be/qlbLpQ56yI0>
- Ch9: https://youtu.be/Y_NMVcM1Bxo
- Ch10: <https://youtu.be/yu6qqoqjSg4>
- Ch11: <https://youtu.be/G4cxTR-STM4>
- Ch12: https://youtu.be/Hic1Y_NTm8U

TEACHING METHODS

Classes with case studies, testimonials and simulations.

E-learning classes and forums based on the MScBA Moodle platform (The teacher will provide during the first lesson a description about the utilization of Moodle).

Webinars

Group work on SCOR application case.

EXAM RULES

The exam is based on a written test. The written test will last 1 hour and 45 minutes, and it is made of 4 open questions: one on each part of the programme, namely:

- one question on Part I - The core concepts of Supply Chain Management and Procurement
- one question on Part II - Purchasing Strategy and Planning
- one question on Part III - Digital Supply Chains
- one question on Part IV - SCOR (Supply Chain Operational Reference) model.

A sample test is provided in the teaching materials on the course web site allowing students to see in advance the test structure.

As optional activities:

- **Attending students** might take part in a group work on SCOR and get up to 2 extra points.
- **Non attending students** might take in the written test an extra question on the seminal articles (above reported) and get up to 1 extra point.

THESIS ASSIGNMENT RULES

The thesis will be assigned three times a year:

- in January for the students aiming to graduate in Summer (mid-July)
- in May for the students aiming to graduate in Autumn (beginning of November)
- in October for the students aiming to graduate in Spring (beginning of April)

Three times a year in the course website there will be an announcement for students interested to be assigned a thesis. Following this announcement students will have a two weeks deadline to fill in a Google Form with data on their academic performance and on their proposal for a thesis topic/case.

Theses will be assigned based on the student academic performance (general GPA and mark at this exam) and on the innovativeness of the proposed topic (normally not more than 5 students per graduation session will be accepted), plus any specific assignment rule defined in the MScBA programme.

Two weeks after the announcement deadline, students will be informed whether they have been accepted or not for the thesis. Shortly after, the selected students will be invited to a meeting where they will be presented the suggested approach to develop a master thesis effectively (including the work they will have to make in order to find, select and report references and to develop the analysis of the business case(s) they will have proposed).