

**MGSC 487**  
**Global Sourcing Strategies and Applications**  
**Fall 2007**

**Instructor:** Dr. Jayanth Jayaram

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**Office Hours:** 11 a.m. - 12:00 noon, Mondays and Wednesdays  
and other times by appointment

**Class Times:** Monday and Wednesday, 12:30-1:45 pm, BA 364

**Web Site:** The Home Page for the course is: **blackboard.sc.edu**

During the semester, a variety of materials will be posted on the web site for student use. These will include lecture slides, supplementary readings, information on case assignments, and other materials.

**Required Textbook:** R.M. Monczka, R.J. Trent, and R.B. Handfield, *Purchasing and Supply Chain Management 3<sup>rd</sup> Edition*, Thomson South-Western Publishing, 2005.

**Readings:** A set of readings to supplement the textbook will be available on the web site.

**Course Description:** This course covers skills necessary to pursue sourcing related careers in manufacturing, services, retailing, and government agencies, including discussion of cutting edge negotiation and sourcing strategies pursued in exemplar firms.

**Course Objectives:**

- To expose students to leading edge concepts and principles in strategic sourcing as pursued by leading edge firms;
- To generate student interest in pursuing sourcing as a viable career opportunity, be it in retailing, manufacturing, government agencies or non-profit organizations;
- To provide applied learning opportunities in strategic sourcing through a combination of case analyses, negotiation exercises and a field project involving a sourcing strategy for a commodity;
- To develop student expertise in the areas of team building skills, presentation skills; analytical skills and report writing skills.

**Evaluation and Grades:**

Your final grade in this course will be based on five components:

1) **Commodity Research Project (25%):** Students will form teams and do background research, interview knowledgeable persons and put together a sourcing strategy for a chosen commodity. The expectation is to gather data from secondary sources, analyze these trends and use the analysis to offer commodity-specific sourcing strategies along with contingency planning. Students will also be exposed to tools such as risk mitigation strategies. **This is a group exercise.**

2) **Negotiation Exercise (15%):** Students will engage in a simulation exercise that will mimic a hypothetical negotiation exercise. The expectation is to write a short summary of each team's negotiation tactics and share it with the class. **This is a group exercise.**

3) **Case Analysis/Cost Management Exercise (15%):** You will be required to submit written case analyses for a few cases that illustrate one or more principles of effective sourcing strategies. In addition, you will be required to submit responses to a cost management exercise. **You can work in groups for case analyses/cost management exercise and turn in one report.**

4) **Quizzes (10%):** There will be several quizzes to test your understanding of the chapters. Typically, there is a quiz after the completion of one or two chapters.

5) **Exam (35%):** There will be two exams in this course. The mid-term is worth 15% and the final exam (during finals week) is worth 20%.

**GRADING SCALE**

**A = 90% or higher   B+ = 87-89.99%   B = 80-86.99%   C+ = 77-79.99%**  
**C = 70-76.99%   D+ = 67-69.99   D = 60-66.99   F = under 60**

**Course Format:**

The course consists of lectures supplemented by discussion of required reading materials that include cases. Please check the course web site periodically to access class resources. Each student needs to have completed the required readings before the start of the class session. In class, the student will participate in a lecture that is heavily oriented towards discussion. Good preparation is therefore critical if the student is to get the most out of the class.

This course is also designed to give the student opportunity of building on key skills such as improving both oral and written communication skills through the commodity sourcing project and negotiation exercise. Select cases will be used to illustrate one or more of key principles in strategic sourcing.

**Group Work:**

Several of the components that will determine your grade for this course will

be group-based work. Groups will consist of five or six students, and the same groups will be used for all group work in the course. **You may self-select your group by sending an e-mail with the names of all group members to the instructor before 5:00 pm Wednesday, September 5.** Your group must have at least five members. Any students not part of a self-selected team by September 5 will be assigned a group by the instructor. Every group member is expected to carry his/her share of the group's workload. **Peer evaluations will be collected at the end of the course, group members who are not doing their share will have their grades adjusted downwards for the course.** It is suggested that each group select a liaison person to interact with the instructor and update me if there are non-participants in our group early enough to send warnings.

*Group Sourcing Strategy Project:*

Each group will conduct a comprehensive commodity/purchase family sourcing strategy project on a commodity or purchase family of the group's choice (subject to approval by the instructor). **The due date for emailing the commodity selected by your group is Sept 17 by 5pm.** Each team will make a **formal research proposal** about their commodity sourcing project (10 min) to the class **on October 1.** The sourcing strategy project will include significant research about the chosen commodity/purchase family, and will result in a written project report and a short (15-20 minute) presentation on the project towards the end of the course. **The written report will be due no later than December 13 (day of final exam).** Groups are expected to use all relevant concepts presented during lecture and in assigned readings in the development of the sourcing strategies. Further details on the project will be handed out and discussed in class.

*Group Case Write-up:*

Each group will submit written analyses for two cases - the "FlexCon Piston Case" and the "Pacific Systems Case" for grading. Guidelines for case write-ups will be posted on the course web site.

*Group Exercises:*

Each group will complete a "Cost Management Exercise" and a "Negotiation Exercise". Specifics of these exercises will be handed out and discussed in class.

**Attendance:** Class attendance is required. I realize that at times you may have legitimate reasons (university approved) for missing class. I would appreciate an e-mail when you know you are going to miss class. It is your responsibility to obtain notes from your peers. Excessive absences will negatively affect your course grade.

**Makeup and  
Free Rider  
Policy**

There are no makeup assignments in class. Quizzes and exams cannot be made up and students missing quizzes or exams earn an automatic zero on that quiz. However, I will allow you to drop one quiz score for normal absences. **If you have an university approved excuse that conflicts with our exam date, you need to let me know in advance along with the proof to be considered for a possible makeup exam. No makeup exam will be given after the scheduled exam date.**

If you do not participate adequately in team efforts, your grade will suffer. If you have excessive absences in the class, even if it is for university approved reasons, you cannot makeup in-class activities. In such rare circumstances, you need to contribute ahead to your group and keep me informed. **I will not accept excuses after the fact** when you decide to not participate on your own. Please do not test this policy.

**CLASS SCHEDULE\***

<b>Date:</b>	<b>Topic:</b>	<b>Reading:</b>
Aug 27	Course overview	
Aug 29	Introduction to purchasing	MTH Chapter 1
Sep 3	<b>Labor Day – No Class</b>	
Sep 5	Purchasing process <i>Quiz 1(Chapters 1 and 2)</i> <b>Due: E-mail instructor group composition (5pm)</b>	MTH Chapter 2
Sep 10	Purchasing and Supply Organization	MTH Chapter 5
Sep 12	Purchasing and Supply Organization	Bose Corporation Case (Web)
Sep 17	Purchasing and commodity strategy development <b>Due: E-mail Topic for Commodity Sourcing Project to instructor (5 pm)</b>	MTH Chapter 6
Sep 19	Purchasing and commodity strategy development <i>Quiz 2(Chapters 5 and 6)</i>	FlexCon Piston Case (Web) <b>Graded</b>
Sep 24	Supplier evaluation and selection	MTH Chapter 7
Sep 26	Supplier evaluation and selection	Pacific Systems Case (Web) <b>Graded</b>
Oct 1	<b>Commodity Sourcing Project Proposal Presentations (All teams)</b>	
Oct 3	Supplier quality management	MTH Chapter 8
Oct 8	Supplier quality management <i>Quiz 3(Chapters 7 and 8)</i>	Electronic Systems Case (Text)
Oct 10	<b>Midterm Exam (Chapters 1,2,5,6,7 &amp;8)</b>	
Oct 15	Supplier management and supplier development	MTH Chapter 9
Oct 17	Supplier management and supplier development	Avion Case (Web)
Oct 22	Global sourcing	MTH Chapter 10
Oct 24	Global sourcing	Digitex Corp. Case (Web)

**CLASS SCHEDULE\***

<b>Date:</b>	<b>Topic:</b>	<b>Reading:</b>
Oct 29	Strategic cost management	MTH Chapter 11
Oct 31	Strategic cost management	Cost Management Exercise (Web) <b>Graded</b>
Nov 5	Negotiation	MTH Chapter 13
Nov 7	Negotiation	Negotiation Exercise (Web)
Nov 12	Negotiation	Negotiation Exercise (Web)
Nov 14	Contract management	MTH Chapter 14
Nov 19	<b>No Class – Project Work</b>	
Nov 21	<b>Thanksgiving recess - no classes</b>	
Nov 26	Purchasing Law and Ethics	MTH Chapter 15 Ethics Case (Web)
Nov 28	Project Presentations	
Dec 3	Project Presentations	
Dec 5	Project Presentations	
Dec 13 (Thurs)	<b>Final Exam</b>	5.30 pm

We may be ahead or behind this schedule. In addition, articles pertaining to some chapters will be distributed in advance.