



*Course syllabus*

# Industriellt inköp Industrial Purchasing

**MTTN75, 7,5 credits, A (Second Cycle)**

**Valid for:** 2023/24

**Faculty:** Faculty of Engineering, LTH

**Decided by:** PLED I

**Date of Decision:** 2023-04-14

## General Information

**Compulsory for:** MLOG1

**Elective for:** E5, I4-ai, I5-pr, I4-lf, M4-lp, M5-prr, MPRR2

**Language of instruction:** The course will be given in English

## Aim

The purpose of the course is to provide a general understanding of issues related to industrial purchasing and supply management; to introduce a number of important theories, terminology and methods for purchasing; to identify, describe and analyse different parts of a company's purchasing function and their supplier relationships; and to stimulate both the students' critical analysis and their long-term interest in purchasing issues.

The course should provide the students with sufficient knowledge of purchasing to enable them to understand the purchasing function's role in a company and to handle purchasing issues systematically. It will also provide them with deeper knowledge of methods and models supporting the strategic, tactical and operational purchasing work. This encompasses both how to analyse and how to plan the purchasing work, as well as knowledge of a number of techniques. Related to this, the students will practise their skills in a number of purchasing oriented activities. Finally, the course will provide an overall view of classical as well as modern purchasing theory.

## Learning outcomes

*Knowledge and understanding*

For a passing grade the student must

- be able to use theories, models and tools both to analyse and evaluate the purchasing function, as well as independently plan and perform purchasing activities in an industrial context.

This means e.g. to:

- independently describe and problematize the issues and challenges for the purchasing function
- describe in detail and independently analyse the purchasing process and its activities
- relate the purchasing department's work to other departments/functions within the company, as well as to suppliers
- characterise and problematize different purchasing situations
- account for supply market analysis
- characterise and segment different product groups to be able to develop a foundation for strategic sourcing decisions
- relate and compare different types of supplier evaluations
- explain and compare different classic purchasing related theories
- understand and describe different pricing mechanisms
- problematize and analyse negotiation situations
- define a negotiation plan
- relate an appropriate purchasing organization to different situations
- understand issues of legal aspects of purchasing and public procurement
- define metrics and problematize issues of purchasing performance measurements
- problematize the relation between purchasing, environmental and ethical issues
- understand issues with, and impact of, electronic purchasing

#### *Competences and skills*

For a passing grade the student must

independently be able to

- assess purchasing situations and develop purchasing strategies by applying purchasing theories and models
- apply negotiation techniques and preparation
- independently prepare oneself to analyse and assess the practical purchasing function at a company and compare this to theory
- assess, analyse and make a synthesis of purchasing theories
- independently start a master thesis within the purchasing area and be prepared to master the challenges involved in a first job at a purchasing department

The student is also expected to be able to

- use terms established by the purchasing profession, and clearly communicate purchasing issues, analysis and solutions both to purchasing professionals and other students
- independently use reference literature and scientific publication to analyse and evaluate the practical purchasing work at a company
- orally and in writing explain and discuss both one's own and other's analyses

#### *Judgement and approach*

For a passing grade the student must

- be able to apply critical thinking and, hopefully, acquire a lasting interest for industrial purchasing. His/her attitude should be more "professionalized", and the student should have obtained insights regarding ethical and environmental dilemmas related to the purchasing function.

## Contents

The role of purchasing within companies and in supply chains. Industrial buying behaviour: Decision making in purchasing. The purchasing process in companies. Purchasing strategy. Portfolio models for developing purchasing strategies. Make or buy? (outsourcing). Specification of what should be purchased. Supply market analysis. RFI & RFP. Supplier evaluation. Negotiation techniques. Legal aspects of purchasing. Supplier relationship and development. Purchasing organisation. Purchasing performance measurement. Purchasing of services. Public purchasing.

## Examination details

**Grading scale:** TH - (U,3,4,5) - (Fail, Three, Four, Five)

**Assessment:** To qualify for the final grade, the student must have passed a written examination and completed the compulsory cases and assignments. Other assignments shall be passed. Participating in presentation of cases and negotiation games. Compulsory attendance may occur in certain parts.

The examiner, in consultation with Disability Support Services, may deviate from the regular form of examination in order to provide a permanently disabled student with a form of examination equivalent to that of a student without a disability.

### Parts

**Code:** 0117. **Name:** Industrial Purchasing.

**Credits:** 4. **Grading scale:** UG. **Assessment:** Pass the written examination. **Contents:** Covers literature and lectures

**Code:** 0217. **Name:** Case.

**Credits:** 3,5. **Grading scale:** UG. **Assessment:** Written papers and oral presentations and oppositions. The cases are carried out only in connection with the course, i.e. once a year. Some more assignments to be passed are at hand (code 0304). **Contents:** In case 1 the students (in groups) should write a report describing and discussing a company's purchasing work. The case should be presented orally at a seminar. Case 1 can only be carried out during the course period, i.e. once a year. More compulsory assignments to be passed are available. (0304)

**Code:** 0317. **Name:** Assignments.

**Credits:** 0. **Grading scale:** UG.

## Admission

### Admission requirements:

- MMTN31 or passed assignments in the course MTTF01 Logistics (code 0217) or passed assignments in the course MTTF25 Fundamentals of Logistics and Operations Management (code 0215)

**Assumed prior knowledge:** MIO022/MIOF20 Management Organization and MIO040/MIOF25 Managerial Economics, advanced course.

**The number of participants is limited to:** No

## Reading list

- To be announced at course start.

## Contact and other information

**Course coordinator:** Louise Bildsten, [louise.bildsten@tlog.lth.se](mailto:louise.bildsten@tlog.lth.se)

**Course homepage:** <http://www.liveatlund.lu.se> or <http://canvas.education.lu.se>

**Further information:** Participation is mandatory for the first session. Absence from the first class session may result in an automatic drop from the course.