# Course Title: C.1.3.2. Import/Purchasing; Supply-Chain Management; Outsourcing; Supplier Relations

# Abstract:

This is the second chapter of the module Market Entry Strategy. This lecture introduces students to the topic of Import/Purchasing; Supply Chain Management; Outsourcing, Incoterms and Payment Methods; and Supplier Relations. This chapter is divided into four parts: Supply Chain Management, Global Sourcing Process, Incoterms, and Supplier Relations and Outsourcing. Part one makes students familiar with supply chain and its structure and gives an overview of supply chain management, it’s needs and benefits, functions, elements, risks and mitigation tactics and presents six different sourcing strategies. Part two describes the different steps and related questions in the global sourcing process and some features concerning supplier relationships. It also gives examples of criteria when choosing the supplier and examples about the effects of company strategy to the supplier selection. The third part includes Incoterms 2010, the basic idea of 11 different terms. The last part (outsourcing) is student’s self-study from given material. The lecture is a mix of self-study activities (readings, case study assignment) and classroom teaching, using a variety of interactive methods, such as group work, brainstorming, and interactive presentations.

# Learning Objectives:

* Learning Objective 1: Students can explain what a supply chain is and its different components and what kinds of things affect to the supply chain of some certain product/company
* Learning Objective 2: Students can recall the benefits, elements, risks and mitigation tactics of supply chain management and can apply a suitable purchasing strategy in different situations
* Learning Objective 3: Students understand the different steps in global sourcing process and know what elements to research during every step before the decision-making
* Learning Objective 4: Students understand the importance of supplier relations to the purchasing company and the effects of the level of cooperation to the criteria of supplier selection
* Learning Objective 5: The student can explain the basic idea of 11 different terms and analyse what would be the best Incoterms for the companies in different situations
* Learning Objective 6: Students train their research and analytical skills by studying the cases and looking for the answers to questions by comparing the information given during lectures and in other readings and what happened with the case companies

# Assessment Method:

The outputs related to cases. The Incoterms Quiz is also possible to use as a test during the lectures and assesses the students.

# Comment:

Blue font is for interactive exercises and orange for self-study.

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| Session # | Session Content | Method(s) | Learning Objectives of Session | Material | Time (mins.) | Comments |
| 1 | **Introduction to Supply Chain Management** | | | | **75** | **180 min self-study** |
| Preparatory Self-learning | Reading: Van Weele, Arjan, J. (2014). Purchasing and Supply Chain Management. *United Kingdom: Cengage Learning EMEA, 6th edition, 3-19*, 115-130, 173-191.  Video: What is supply Chain Management  <https://www.youtube.com/watch?v=Mi1QBxVjZAw> | Students train their analytical and research skills by comparing the information they have got during lectures and what they find from other sources | Slide 6 | 180 | Students should read the chapters 1, 6 and 8 (The role of purchasing, Supply Market Research, Outsourcing) and watch the video. |
| Introduction to the content, learning objectives, and structure of this lecture | Short lecture | Students become familiar with the content, learning objectives, and structure | PPT presentation: Contents, aims and structure  (Slides 1-5) | 10 | *(Orientation phase)* |
| Supply Chain (SC) | Short lecture | Students acquire an overview of SC and its benefits, elements, risks, and mitigation tactics | PPT presentation (Slides 7 – 10) | 10 | (*Work phase &* *Consolidation/Applying phase)* |
| Short exercise - create a supply chain | Group work | Activate their previous knowledge combined with the new information | Slide 11 | 15 |
| Supply Chain Management (SCM) | Short lecture | Students acquire an overview of SCM and its benefits, elements, risks and mitigation tactics | PPT presentation, Supply Chain Management,  short exercise (included to PPT presentation)  (Slides 12-24) | 35 |
| Questions |  |  |  | 5 |
| 3 | **Global Sourcing Process** | | | | **80** |  |
| Global Sourcing Process | Short lecture | Students get overview of different steps in global sourcing process and know what elements to research during every step before the decision making | PPT presentation  (Slides 28 – 35) | 25 | *(Work phase)* |
| Short exercise - supplier locations | Group work | Activate students knowledge and critical reflection | Slide 36 | 15 |
| Supplier Relations | Short lecture | Students understand the importance of supplier relations to the purchasing company and effects of the level of co-operation to the criterion of supplier selection | PPT presentation  (Slides 37 – 51) | 40 |
| 4 | **Incoterms** |  |  |  | **105** |  |
| Incoterms | Lecture | Students can explain the basic idea of 11 different terms and analyse what would be the best Incoterms for the companies in different situations | PPT presentation, Incoterms chart, can also be given in paper version for the students when the lecture starts  (Slides 52-86) | 80 | (Work and applying phase) |
| Assignment | Short Incoterms calculation | Students can apply incoterms regulations | Slide 86 | 10 |
| Summary | Students prepare few questions in groups to other students and after answering the questions open discussion related to answers and possible still unclear issues | Students revise the contents of the whole lecture and find the most important facts and results | PPT presentation: summary | 15 | *(Consolidation/Applying phase)* |
| 5 | **Homework** | | | |  | **175 self-learning** |
| Incoterms Quiz |  | Students test their knowledge related to Incoterms. |  | 15 |  |
| Short case studies | These short cases should be prepared at home and answers to questions should be returned to Moodle. Depending on the course schedule, the case studies could also be discussed in class. | Students train their analytical and research skills by comparing the information they have got during lectures and what they find from other sources and what actually happens in the short cases. | These two short cases are in Moodle. Reference: Heizer, J., Render, B. & Munson, C. (2017). Operations Management. *Sustainability and Supply Chain Management.* Pearson Education Limited. 503-505. | 160 |  |