

MODULE III

Introduction to the Module

This course module is intended to equip the trainee with knowledge, skills and attitudes that will enable him/her to effectively carry out purchasing and supply operations. The graduate of this module is expected to serve at middle level management in a purchasing department.

Module Objectives

By the end of the module, the trainee should be able to:

- a) apply principles of theory and practice of management supply chain management
- b) apply purchasing and supply strategies in an organisation
- c) describe the role of managerial accounting in purchasing and supply operations
- d) manage project and contract
- e) recognise the role of supply chain management operations management
- f) describe the function of international purchasing in supply management

Entry Requirement

The trainee entering this module should have the following minimum entry requirement:

- a) Pass in Module II in Supply Chain Management

Module Units and Time Allocation

Code	Module Units	Time Hours
22.3.0	Purchasing and Supply Strategy	90
23.3.0	Operations Management	90
24.3.0	Project and Contract Management	90
25.3.0	International Purchasing	90
26.3.0	Managerial Accounting	140
27.3.0	Theory and Practice of Management	110
28.3.0	Research Project	50
Total		660

22.3.0 PURCHASING AND SUPPLY STRATEGY

22.3.1 Introduction

This module unit is intended to equip the trainee with the knowledge, skills and attitudes that will enable him/her plan and manage the procurement functions.

22.3.2 General Objectives

By the end of the module unit, the trainee should be able to:

- a) explain the importance of strategic management in supply chain management
- b) describe the strategic planning process supply chain management
- c) outline the importance of developing the purchasing and supply strategy
- d) apply purchasing and supply chain policies in purchasing
- e) discuss the importance of effective performance in the purchasing and supply function.

22.3.3 Module Unit Summary and Time Allocation

Code	Sub-Module Units	Content	Total (Hours)
22.3.01	Introduction to Strategic Management	<ul style="list-style-type: none">• Meaning of strategic management• Concept and purpose of strategic management• Nature of strategic supply chain management• Levels of strategy• Scope of strategic management	2

Code	Sub-Module Units	Content	Total (Hours)
22 3.02	Strategic Planning Process	<ul style="list-style-type: none"> • Meaning of strategic planning • Steps in strategic planning process • Tools used in environmental scanning • Strategy formulation process • Factors in strategy selection • Factors to be considered in implementing strategic plan • Strategy evaluation control and feedback process 	15
22 3.03	Purchasing and Supply Chain Strategies	<ul style="list-style-type: none"> • Meaning of purchasing strategy and supply strategy • Relationship between purchasing and supply strategy and corporate strategy • Contribution of purchasing chain strategies to corporate strategy • Purchasing and supply strategies 	15
22 3.04	Purchasing And Supply Chain Policies	<ul style="list-style-type: none"> • Meaning of nature of purchasing and supply policies • Nature of purchasing and supply policies • Importance of purchasing and supply policies • Factors considered in formulating purchasing and supply policies • Process followed in formulating purchasing and supply policies • Policies in purchasing and supply • Process of preparing the purchasing and supply manual • Challenges in implementing purchasing and supply policies 	16

Code	Sub-Module Units	Content	Total (Hours)
22.3.05	Purchasing and Supply Organisation	<ul style="list-style-type: none"> • Importance of organisational structures in purchasing and supply entities • Factors considered in designing an organisational structure for purchasing and supply organisation • organisation of purchasing and supply activities • Approaches to organisation structures • Management levels in purchasing and supply • 	16
22.3.06	Measuring Purchasing and Supply Performance	<ul style="list-style-type: none"> • Concept of performance measurement in purchasing • Factors to consider in measuring purchasing and supply performance • Methods of measuring purchasing and supply performance 	16
22.3.07	Emerging Trends and Issues an Purchasing and Supply Strategy	<ul style="list-style-type: none"> • Emerging trends and issues in purchasing and supply strategy • Challenges posed by the emerging trends and issues in purchasing and supply strategy • Coping with emerging issues and trends in purchasing and supply strategy 	10
Total			90

22.3.01	INTRODUCTION TO STRATEGIC MANAGEMENT	22.3.01T4	operational Nature of strategic supply chain management
22.3.01T	Theory <i>Specific Objectives</i> By the end of the sub-module unit, the trainee should be able to:	22.3.01T5	Importance of strategic management
	a) explain the meaning of strategic management	22.3.01T6	Scope of strategic management
	b) explain the concept and purpose of strategic management		Practice
	c) explain the nature of strategic supply chain management	22.3.01P	<i>Specific Objective</i> By the end of the sub-module unit, the trainee should be able to illustrate levels of strategy
	d) explain levels of strategy	22.3.01P1	<i>Content</i> Levels of strategy
	e) explain the importance of strategic management		<i>Suggested Teaching/Learning Resources</i> - Textbooks - Professional magazines - Chalk/white boards
22.3.01C	Competence The trainee should have the ability to discuss levels of strategy		<i>Suggested Teaching/Learning Activities</i> - Discussion - Note taking - Guest speaker
22.3.01T1	<i>Content</i> Definition of strategic management		
22.3.01T2	Concept and purpose of strategic management		<i>Suggested Evaluation Methods</i> - Written tests - Assignments
22.3.01T3	Levels of strategy Corporate Business Functional		

22.3.02	STRATEGIC PLANNING PROCESS		effectively participate in strategic planning process
	Theory		
22.3.02T	<i>Specific Objectives</i> By the end of the sub-module unit, the trainee should be able to:	22.3.02T1	<i>Content</i> Meaning of strategic planning
	a) explain the meaning of strategic planning	22.3.02T2	Steps in strategic planning process Environmental scanning
	b) identify the steps in strategic planning process		Strategy formulation Strategy choice Implementation Evaluation, control and feedback
	c) discuss tools used in environmental scanning	22.3.02T3	Tools in environmental scanning - PESTLE - SWOT - BCG - Porter's Five Forces Model - Ansoff's matrix
	d) describe the strategy formulation process		Strategy formulation process Vision Mission Objectives
	e) explain the factors in strategy selection	22.3.02T4	Factors in strategy selection Mission statement - Stakeholders expectation - Product/service range - Competition - Price - Differentiation - Focus
	f) explain the factors to be considered in implementing strategic plan	22.3.02T5	
	g) describe the strategy evaluation, control and feedback process.		
22.3.02C	Competence The trainee should have the ability to		

22.3.02T6	Factors in strategy implementation organisation structure Leadership Resources Policies and procedures	<i>Suggested Teaching/Learning Activities</i> - Discussion - Note taking
22.3.02T7	Strategy evaluation, control and feedback process - Reporting - Budgets - Setting performance standards - Benchmarking	<i>Suggested Evaluation Methods</i> - Assignments - Term papers
	22.3.03	PURCHASING AND SUPPLY CHAIN STRATEGIES
		Theory
22.3.02P	<i>Specific Objective</i> By the end of the sub-module unit, the trainee should be able to formulate a strategy using strategic analysis tools in a given business situation	22.3.03T
		<i>Specific Objectives</i> By the end of the sub-module unit, the trainee should be able to
22.3.02P1	Formulating strategies using strategic analysis tools in a given business situation	<ul style="list-style-type: none"> a) explain the meaning of terms used in strategic purchasing b) discuss the relationships between purchasing and supply strategy to corporate strategy c) discuss the contribution of purchasing and supply to corporate strategy d) discuss purchasing and supply strategies.
	<i>Suggested Teaching/Learning Resources</i> - Textbooks - Internet - Chalk/white boards	

22.3.03C	<p>Competence The trainee should have the ability to apply purchasing and supply chain strategies in a given business situation</p>	22.3.03T4	<p>Purchasing and supply strategies</p> <ul style="list-style-type: none"> - Supplier development - Quality improvement - Supply chain information system - Partnership/collaborative - Cost reduction - Lean supply back - Outsourcing - Group sourcing - Innovation strategies - Agile strategies - Strategic issues in purchasing and supply
22.3.03T1	<p><i>Content</i> Meaning of terms Purchasing strategy Supply strategy</p>		
22.3.03T2	<p>Relationship between purchasing and supply strategy and corporate strategy</p> <ul style="list-style-type: none"> - Cascading the corporate strategies to purchasing and supply strategy - Co-ordination - Monitoring and feedback 		
22.3.03T3	<p>Contribution of purchasing and supply to corporate strategy</p> <ul style="list-style-type: none"> - Provision of information about customer - Availability of materials - Stability and competitiveness of the suppliers pool - Allocation of purchases among qualified suppliers 	22.3.03P	<p><i>Specific Objective</i> By the end of the sub-module unit, the trainee should be able to formulate purchasing and supply chain strategies</p>
		22.3.03P1	<p><i>Content</i> Formulation of purchasing and chain strategies</p> <p><i>Suggested Teaching/Learning Resources</i></p> <ul style="list-style-type: none"> - Textbooks - Professional magazines - Chalk/white boards

	<ul style="list-style-type: none"> - Exercise books <i>Suggested Teaching/Learning Activities</i> - Discussion - Note taking <i>Suggested Evaluation Methods</i> - Assignments - Oral tests 		<ul style="list-style-type: none"> purchasing and supply g) discuss the process of preparing the purchasing and supply manual h) explain the challenges in implementing the purchasing and supply policies.
22.3.04	PURCHASING AND SUPPLY CHAIN POLICIES	22.3.04C	Competence The trainee should have the ability to implement purchasing and supply policies
	Theory		<i>Content</i>
22.3.04T	<i>Specific Objectives</i> By the end of the sub-module unit, the trainee should be able to:	22.3.04T1	Meaning of terms
	a) explain the meaning of purchasing and supply policies	22.3.04T2	Purchasing policy
	b) explain the nature of purchasing and supply policies	22.3.04T3	Supply policy
	c) explain the importance of purchasing and supply policies	22.3.04T4	Nature of purchasing and supply policies
	d) highlight factors considered in formulating purchasing and supply policies	22.3.04T5	Importance of purchasing and supply policies
	e) describe the process followed in formulating purchasing and supply policies	22.3.04T6	Factors considered in formulating purchasing and supply policies
	f) discuss the various policies in		Process followed in formulating purchasing and supply policies
			Purchasing and supply policies
			Make/buy
			Subcontracting
			Outsourcing
			Partnership
			/collaborative
			Ethical issues



22.3.04T7

Process of preparing the purchasing and supply manual

- Meaning
- Purpose
- Content
- Procedure
- Advantages and Disadvantages of supply manual

22.3.04T8

Challenges in implementing purchasing and supply policies
inadequate human resources
finance
organisational culture
technology
support of top management

Practice

22.3.04P

Specific Objective
By the end of the sub-module unit, the trainee should be able to formulate purchasing and supply policies
prepare the purchasing and supply manual

22.3.04P1

Content
Formulating of purchasing and supply policies

22.3.04P2

Preparation of the purchasing and supply policies

Suggested Teaching/Learning Resources

- Textbooks
- Flip chart
- Exercise books

Suggested Teaching/Learning Activities

- Note taking
- Class presentation

Suggested Evaluation Methods

- Written tests
- Oral tests
- Assignments

22.3.05

PURCHASING AND SUPPLY ORGANISATION

Theory

22.3.05T

Specific Objectives
By the end of the sub-module unit, the trainee should be able to:

- explain the importance of an organisational structure in purchasing and supply entities
- explain the factors considered in designing an organisational structure for purchasing and supply organisation

	c) discuss the organisation for purchasing and supply activities	22.3.05T4	Factors considered in designing purchasing and supply organisation
	d) describe various approaches to organisational structure		Size of the organisation
	e) explain various management levels in purchasing and supply organisations.	22.3.05T5	Financial capability Nature of operations Technology
22.3.05C	Competence The trainee should have the ability to design appropriate organisational structure in purchasing and supply entities	22.3.05T6	Approaches to organisation structure Matrix Functional Team
	<i>Content</i>		Management level in purchasing and supply organisation Management level Middle level Operational level
22.3.05T1	Importance of organisational structure in purchasing and supply	22.3.05P	Practice <i>Specific Objective</i> By the end of the sub-module unit, the trainee should be able to illustrate different types of organisation structures in purchasing and supply entities
22.3.05T2	Factors considered in organising purchasing and supply activities		
22.3.05T3	organisation of purchasing and supply activities Centralized Decentralized Combined Advantages disadvantages	22.3.05P1	<i>Content</i> Illustration graphically the organisational structures in purchasing and supply entities



	<i>Suggested Teaching/Learning Resources</i>		supply performance.
	- Textbooks	22.3.06C	Competence
	- Internet		The trainee should have the ability to develop purchasing and supply performance measures
	- Chalk/white boards		
	<i>Suggested Teaching/Learning Activities</i>		
	- Discussion	22.3.06T1	<i>Content</i>
	- Note taking		Concept of performance measurement
	<i>Suggested Evaluation Methods</i>		- Meaning of performance measurement
	- Written tests		- Significance performance measurement
	- Assignments		Factors to consider in measuring purchasing and supply performance
22.3.06	MEASURING PURCHASING AND SUPPLY PERFORMANCE	22.3.06T2	Methods of measuring purchasing and supply performance benchmarking budgets management by objectives (MBO) accounting/ profitability measures
	Theory		
22.3.06T	<i>Specific Objectives</i>	22.3.06T3	
	By the end of the sub-module unit, the trainee should be able to:		
	a) explain the concept of performance measurement in purchasing		
	b) explain factors to consider in measuring purchasing and supply performance	22.3.06P	Practice
	c) discuss methods used in measuring purchasing and		<i>Specific Objective</i>
			By the end of the sub-module unit, the trainee should be able to:

	<ul style="list-style-type: none"> a) measure the performance of purchasing and supply organisation b) apply appropriate method in measuring purchasing and supply performance 	22.3.07	<p><i>Suggested Evaluation Methods</i></p> <ul style="list-style-type: none"> - Written tests - Assignments
22.3.06P1	<p><i>Content</i></p> <p>Field visit to purchasing and supply firms in the private and public sector to measure the performance of purchasing and supply</p>	22.3.07J	<p>EMERGING ISSUES AND TRENDS IN PURCHASING AND SUPPLY STRATEGY</p> <p>Theory</p> <p><i>Specific Objectives</i></p> <p>By the end of this topic, the trainee should be able to:</p> <ul style="list-style-type: none"> a) identify the emerging issues and trends issues in purchasing and b) supply strategy c) discuss the challenges posed by the emerging trends and issues in purchasing and supply strategy d) discuss ways of coping with the emerging issues and trends in an organisation.
22.3.06P2	<p>A case study appropriate application of measure performance methods in purchasing and supply</p> <p><i>Suggested Teaching/Learning Resources</i></p> <ul style="list-style-type: none"> - Textbooks - Internet - Chalk/white boards 		
	<p><i>Suggested Teaching/Learning Activities</i></p> <ul style="list-style-type: none"> - Discussion - Note taking - Class presentation 	22.3.07C	<p>Competence</p> <p>The trainee should have the ability to cope with emerging issues in an organisation</p>

	<i>Content</i>	
22.3.07T1	Emerging issues and trends in purchasing and supply strategy	<i>Suggested Teaching/Learning Resources</i> - Textbooks - Internet - Professional magazines - Chalk/white boards
22.3.07T2	Challenges posed by emerging issues and trends in purchasing and supply strategy	
22.3.07T3	Ways of coping with challenges posed by emerging issues and trends	
	Practice	
22.3.07P	<i>Specific Objective</i> By the end of this topic, the trainee should be able to manage challenges posed by emerging issues and trends in purchasing and supply strategy	<i>Suggested Teaching/Learning Activities</i> - Discussion - Note taking - Guest speaker
		<i>Suggested Evaluation Methods</i> - Written tests - Assignments - Examinations