



# University of Management and Technology

## **School of Business and Economics**

Course Title: Vendor Selection and Development  
Course Code: SM-653  
Department: Operations and Supply Chain

### **SBE Vision**

SBE envisions its success in the sustainable contribution that it will make to the industry, academia and research in public and private sector. SBE will lead by providing professionally competent and ethically conscious human resources engaged in the global and local context to foster socio-economic growth and sustainability for the society. SBE envisages having faculty with high research potential and a deep desire for cutting edge research including collaboration with national and international partners.

### **SBE Mission**

Being a research-oriented and student-centric business school, we emphasize research publications in impact journals as well as state-of -the-art learning methodologies. We will prepare our students to become the future ethical business leaders and the guiding post for the society, while equipping them with the knowledge and skills required by world-class professionals. We will be the leading choice for organizations seeking highly talented human resource. SBE will foster internationalization with key stakeholders and actively work to exchange best practices with business schools across Pakistan through collaborations, workshops, conferences and other means.

### **Program Objectives**

- To hone participants' abilities through a well-developed and diversified program designed to equip graduates with essential leadership skills.
- To develop participants' expertise in order to increase their resourcefulness in better decision-making.

- To prepare participants for steering an organization through the difficult and turbulent global and domestic environment and enable the development of an implementable strategic business plan that not only addresses the financial but social and environmental issues as well.
- To produce students who have well-rounded entrepreneurial skills - who not only have great ideas, but can also make things happen by starting their own ventures.
- To enhance the proficiency of the students and groom them to deal with the complex business situations.

## **Course Objectives**

The course covers the upstream of the whole enterprise which is traditionally known to be purchasing or procurement. Integrating supply chain means not only collaboratively working closely with the customers but also with the supply base. That will form the foundation of the latest concepts of strategic sourcing, that does not only guarantee the best buy decisions economically but also the focus is enhanced from the product or service to developing the supplier/vendor that further provides contributions to the society ultimately.

Vendor selection and development discusses the in depth criteria of selecting the suppliers/vendors moreover it throws light on developing supply part of the supply chain strategically and in alignment with the company strategies. The course aims to train professionals with latest information about ethical strategic sourcing.

## **Learning Objectives**

The purpose of the course is to provide the students with ability to:

- Understand the key indicators that are useful to developing the vendors.
- Understand the importance of integrating vendors throughout the supply chain.
- Know how they would be evaluating the whole supply base effectively.
- Know how optimization is achieved in this area not only on the economical side but the social and environmental side.

## **Learning Outcomes**

The learning outcomes of this course are:

- Students will be able to understand the key indicators that are useful to developing the vendors.
- Students will be able to understand the importance of integrating vendors throughout the supply chain.
- Students will be able to know how they would be evaluating the whole supply base effectively.
- Students will be able to know how optimization is achieved in this area not only on the economical side but the social and environmental side.

## **Teaching Methodology**

A cross-functional approach is utilized to teach students how to manage fundamental value processes involved in the sourcing of goods & services. Using a mix of case studies, famous articles on vendor selection & development & practical examples of various companies, the course will emphasize the concepts underlying strategic sourcing. Quizzes & strong class participation will be an important part of total %age. In the nut shell, following teaching methodology will be used.

- Interactive Classes
- Case based teaching
- Article discussion
- Quiz
- Applied Projects
- Term Paper
- Experiential Learning
- End term exam

## **STUDENTS ARE REQUIRED TO READ AND UNDERSTAND ALL ITEMS OUTLINED IN THE PARTICIPANT HANDBOOK**

### **Class Policy:-**

- **Be On Time**

You need to be at class at the assigned time. After 10 minutes past the assigned time, you will be marked absent.

- **Mobile Policy**

TURN OFF YOUR MOBILE PHONE! It is unprofessional to be texting or otherwise.

- **Email Policy**

READ YOUR EMAILS! You are responsible if you miss a deadline because you did not read your email.

Participants should regularly check their university emails accounts regularly and respond accordingly.

- **Class Attendance Policy**

A minimum of 80% attendance is required for a participant to be eligible to sit in the final examination. Being sick and going to weddings are absences and will not be counted as present. You have the opportunity to use 6 absences out of 30 classes. Participants with less than 80% of attendance in a course will be given grade 'F' (Fail) and will not be allowed to take end term exams. International students who will be leaving for visa during semester should not use any days off except for visa trip. Otherwise they could reach short attendance.

- **Withdraw Policy**

Students may withdraw from a course till the end of the 12th week of the semester. Consequently, grade W will be awarded to the student which shall have no impact on the calculation of the GPA of the student. A Student withdrawing after the 12th week shall be automatically awarded "F" grade which shall count in the GPA.

- **Moodle**

UMT –LMS (Moodle) is an Open Source Course Management System (CMS), also known as a learning Management System (LMS). Participants should regularly visit the course website on MOODLE Course Management system, and fully benefit from its capabilities. If you are facing any problem using moodle, visit <http://oit.umt.edu.pk/moodle>. For further query send your queries to [moodle@umt.edu.pk](mailto:moodle@umt.edu.pk)

- **Harassment Policy**

Sexual or any other harassment is prohibited and is constituted as punishable offence. Sexual or any other harassment of any participant will not be tolerated. All actions categorized as sexual or any other harassment when done physically or verbally would also be considered as sexual harassment when done using electronic media such as computers, mobiles, internet, emails etc.

- **Use of Unfair Means/Honesty Policy**

Any participant found using unfair means or assisting another participant during a class test/quiz, assignments or examination would be liable to disciplinary action.

- **Plagiarism Policy**

All students are required to attach a "Turnitin" report on every assignment, big or small. Any student who attempts to bypass "Turnitin" will receive "F" grade which will count towards the CGPA. The participants submit the plagiarism report to the resource person with every assignment, report, project, thesis etc. If student attempts to cheat "Turnitin", he/she will receive a second "F" that will count towards the CGPA. There are special rules on plagiarism for final reports etc. all outlined in your handbook.

- **Communication of Results**

The results of quizzes, midterms and assignments are communicated to the participants during the semester and answer books are returned to them. The course instructor will inform a participant at least one week before the final examination related to his or her performance in the course.

- **Case studies:**

- No. of case analysis sessions would be conducted in the class.
- The format would be a formal power point presentation by every member of the group.

- Students will not only analyze the case and the situation but also at the end would give their own suggestions.
- Students would be graded on their individual performances as well as their group performances
- A written report of the case analysis would also be submitted by the students.
- No make-up cases will be given

- **Quizzes:**

- From a total of (n) quizzes, best (n -1) quizzes may be considered for the final grade.
- No make-up quizzes will be given.

## **PROJECT**

1. The format of Project assessment would be a formal submission of 4 reports by every group at the 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> session of the semester. All reports will be marked separately.
2. Students would be graded on their performances based on the performance during project meetings / viva voce examination
3. A written report of the Final version of Project analysis would also be submitted by the students.
4. Objectives of the project are as follows:
  - a. To analyze the supplier network side of the following agricultural / textile sector, (any one)
    - i. Leather supply chain
    - ii. Automobile supply chain
    - iii. Computer supply chain
  - b) To draw the following flow charts of the respective sector
    - i. Vendor selection process
    - ii. Purchase Requisition process
    - iii. Process for RFP / RFQ

Highlighting the time specifically related to all activities
  - c) To identify the vendor development measures of the respective company / sector
  - d) To identify the vendor evaluation criteria the company / sector is using.
  - e) To identify the gaps in terms of supplier relationship management and finally submitting comprehensive recommendations based on action plans.

## **TERM PAPER**

1. All research students divided in groups of 1-2 students, will have to write a term paper on one of the following topics
  - i. Footwear supplier network
  - ii. Cotton supplier network
  - iii. Hospital supplier network
2. The topic has to be discussed and approved from the resource person.

3. The category can be literature review but not limited to it, and must follow Harvard style of referencing.
4. Last date for the submission of the term paper is the end of 8<sup>th</sup> week.

### **GUIDELINES FOR WRITING A TERM PAPER**

The term paper should follow the below mentioned headings.

- 1- Structured Abstract (emerald style)
- 2- Introduction and significance of the topic
- 3- Research questions
- 4- Current study and literature review
- 5- Analysis and discussion
- 6- Conclusion and recommendations for future research
- 7- References

### **Further guidelines regarding Term Paper**

**Introduction** should describe the overall significance of the topic, why do you think the topic is very important.

**Current study / Literature Review** should describe the details of every component of the topic from the literature. Citations should be given frequently. Overall emphasis should be to find the gaps in the literature that compelled you to select the topic. Moreover if there are any models or frameworks that have already been worked on, should also be a part of the literature review. Specific emphasis should be given to **synchronize** the concepts while explaining them.

**Discussion and Analysis** should contain thorough and detailed analysis of the literature review and its models and if required some comparisons can be made. The discussion part should come up with the important findings of the review and comparisons and should correlate with the research questions and conceptual framework.

**References** should be numbered in the alphabetical order.

**Plagiarism** should be avoided completely. While quoting any reference the lines should be completely paraphrased, otherwise it would be considered your own thoughts.

A **similarity index report** should also be submitted along with the term paper.

One third of the marks are allocated to the **meetings and discussions** regarding term paper before submitting.

### **TIME LINE for research paper TO BE FOLLOWED STRICTLY**

After discussions in groups, topic and group members to be finalized and submitted by **week 2**

Introduction and literature review to be completed and submitted by **week 4**

Discussion and Conclusion along with recommendations to be completed and submitted by the end of **week 5**

Term paper to be shaped in the final format and submitted by the end of **week 6**

Final edited and improved version along with references to be submitted by the end of **week 8**

**And:**

1. Dress code policy should be strictly followed.

**Course Outline**

Course code...SM-653.....

Course title...Vendor Selection and Development.....

Program	MS Supply Chain Management, MBA Program, Phd Management (deficiency course)
Credit Hours	03
Duration	15 weeks
Prerequisites (If any)	Operations Management

**Grade Evaluation Criteria**

Following is the criteria for the distribution of marks to evaluate final grade in a semester.

**Marks Evaluation**

**Marks in percentage**

Quizzes	10%
Case study	20%
Attendance & Class Participation	10%
Term Project / Term Paper	25%
Final exam	35%
Total	100%

**Recommended Text Books:**

- 1- Purchasing and supply chain management by Monczka, Trent and Handfield, (3<sup>RD</sup> edition), Thomson western publishers.
- 2- Class notes, Cases and Articles (Mandatory)

**Reference Books:**

- 1- Supply network strategies by Lars-Erik Gadde and Hakan Hakansson. John Wiley & sons
- 2- Developing sourcing capabilities by Axelsson, Rozemeijer, Wynstra, John Wiley & sons
- 3- Logistics and Supply Chain Management by Martin Christopher, 2e, Prentice Hall

Course: -----

-Course code: -----Book: -----

Sr. No.	Topics to be covered in the course	Learning Objective of this topic	Expected Outcomes from Students	How would this outcome be achieved	Teaching Method	Assessment Criteria
1.	Introduction to Sourcing	Importance of sourcing process, missing elements, make-buy decisions, what is a vendor or a supplier? Difference between purchasing, procurement, supply management & strategic sourcing Institute for Supply Management, Link to supply chain management	Understand the difference of vendors and suppliers, purchasing process, procurement process and strategic sourcing.	Group discussions	Lecture	Class participation
2.	Purchasing Operations and Structure	Article discussion on the expectations from the customers, single, dual & multiple sourcing, predictive sourcing.	Understanding the processes that are performed in strategic sourcing. Linking these processes with the customer expectations at different level.	Group Discussions + Quiz	Lecture + Article discussion	Quiz 1+ Class participation
3.	Vendor Selection	Vendor selection process, Criteria for selection	Understanding the need of selecting vendors by focusing on capacities, constraints & requirements along with the focus on triple bottom line i.e. economical, social and environmental areas.	Group Discussions + Class activity	Lecture + Article discussion	Assignment of Case + Class participation
4.	Vendor Selection	Practical implementation through real life case study	To understand the vendor selection process and to know the tricks of the trade being used by various industries through case analysis of real life applications.	Report + Presentations + Group discussions	Case study	Case presentations



5.	Negotiations with suppliers	RFIs, RFQs, RFPs, negotiating with vendors strategically, supply chain focus throughout negotiation.	Students will understand not only the practical steps before making a contract with a supplier but also know about the supply chain focus that should be maintained throughout the negotiation process.	Group tasks + Quiz + Various RFQ and RFP formats are used for analysis. Learn to develop contract conditions	Lecture + discussion of various formats of RFQ, RFPs and RFIs	Quiz 2 + Class participation
6.	Developing contracts	Contract definition and significance, hurdles, contract utilization in terms of hurdles and conflicts, vendor selection decision model along with the sustainability	Learning to utilize the contract not only in terms of hurdles that company is going to face but also in terms of conflicts that would arise after development of the contract.	Group tasks + Quiz + Discussing various Service level agreements and contracts.	Lecture + Various formats of contracts	Quiz 3 + Class participation
7.	Development of supply base	Developing a supply base, building an advantaged supply network, basis of integration, top companies and their supply network plans	<p>To understand the concept of supply base rather than focusing only on some key suppliers for a short term.</p> <p>To understand the process and techniques of how to build a supply base that should be perfectly in alignment with the supply chain strategy</p> <p>To observe how MNCs are focusing on developing not only their suppliers but the overall supply base.</p>	Group discussion + Article will be given for further discussion	Lecture + Article discussion	Class participation

8.	Vendor Development process of a company	Practical implementation through real life case study	To understand the vendor development process and to know the tricks of the trade being used by various industries through case analysis of real life applications.	Report + Presentations + Group discussions	Case study	Case presentations
9.	Supplier relationship management	Vendors of Ford, Chrysler and GM, How Toyota and Honda handled their American suppliers, key elements of successful relationship	In this lecture, students are going to have a knowledge regarding how relationships are developed by Multinational companies with their supply base.	Groups discussion + Article discussion + Quiz	Lecture + Article discussion	Quiz 4 + Class participation
10.	Supplier development strategies	Supplier segmentations, use of portfolio diagrams, use of ABC or pareto analysis, supply segmentation matrix	To understand various tools and techniques used to develop vendors not only in the short run but also for a long run on sustainable grounds.	Group discussion + Quiz	Lecture + Article discussion	Quiz 5 + Class participation
11.	Supplier development strategies	Examples of different portfolios, vendor certifications, vendor audits.	To understand the functionality of various portfolios for measuring the performances of the suppliers and consequently improving them. To understand supplier relationship quality management	Group discussion	Lecture + Article discussion	Class participation

12.	Supplier evaluation	Key performance measures, approaches to vendor evaluations, supply chain management KPIs, supplier's scorecard	To understand various kpi that are used to evaluation the performance of the suppliers after making a contract with them. To understand the importance of the suppliers scorecard technique. To make sure that all supplier evaluation KPIs also meet the triple bottom line requirement.	Group discussion + Article	Lecture + Article discussion	Quiz 6 + Class participation
13	Vendor evaluation after selection	Practical implementation through real life case study	To understand the vendor performance monitoring process and to know the tricks of the trade being used by various industries through case analysis of real life applications.	Report + Presentations + Group discussions	Case study	Case presentations
14	Vendor evaluation after selection	Rating vendors in various aspects, importance of decision making, challenges to the field of strategic sourcing, Conclusion.	To understand the need of rating suppliers according to various parameters.	Group discussion + Article	Lecture + Article discussion	Class participation
15	Project Presentations and Term paper report discussions / viva					