

Strategic Sourcing

Updated on December 2, 2022

1 Course description

The role of procurement changed dramatically over the last decades. In the past, procurement was a clerical task with little freedom of action. This changed when companies started to focus on their core competencies and outsourcing became more important. This development did not only increase the volume of inputs to be procured but also their complexity. As a consequence, procurement managers need to make important strategic decisions. For example., they need to prevent unnecessary dependencies and to think about long-term competition when deciding for a certain technology.

In this course students will learn about key sourcing decisions. After an introduction to game theoretical reasoning, students will learn how to prepare a procurement project. Then they will learn about different popular procurement mechanisms like negotiations and reverse auctions. Finally, they will learn how sourcing strategies can reduce risks and enhance innovation.

2 Administration

Class times	Tuesday, 12:00-13:30 (HS XXI) Thursday, 08:00-09:30 (HS XXI) Thursday, 16:00-17:30 (HS VI)
Faculty	Nicolas Fugger Mail: fugger@wiso.uni-koeln.de
Teaching assistant	Jeffrey Starck Mail: jeffrey.starck@uni-koeln.de
Secretary	Stephanie Rauscher Mail: rauscher@wiso.uni-koeln.de
Assignments	There are regular homework assignments. Students can earn bonus points by uploading complete solutions to Ilias on time. For each of the four assignments, students can earn 1.25 bonus points. Bonus points improve the grade.
Grading	Exam (75%) and Project (25%)
Handouts	Handouts will be available for download on Ilias.
Language	English
Prerequisites	Interest in procurement and strategic thinking.
Exam	19.07.2022, 09.00–10.00h

3 Assignments

To earn bonus points you have to upload your complete solutions 18 hours before the plenum takes place on Ilias. You can work in groups of up to three members. By uploading the solution you agree to presenting the solution in the next problem class. For uploading complete solutions and being willing to present them, you earn 1.25 bonus points per assignment.

4 Project

During the semester you will work on a project. The project covers the preparation of a procurement auction. You can work on and hand in the project in groups of up to three members. Save your solution and upload it to Ilias.

5 Course agenda

	Monday	Tuesday	Wednesday	Thursday	Friday
May	22	23	24	25	26
		Lecture 1: Welcome & Introduction		Problem Class 1: Introduction Project Lecture 2: Strategic Thinking	
	29	30	31		
	Pentecost holidays				
June				1	2
	Pentecost holidays				
	5	6	7	8	9
		Lecture 3: Consideration of Non-Price Attributes		Corpus Christi	
	12	13	14	15	16
		Lecture 4: Negotiations		Problem Class 2: Introduction Project Assignment 1 Lecture 5: Procurement Auctions	
	19	20	21	22	23
		Lecture 6: Procurement Auctions		Problem Class 3: Assignment 2 Lecture 7: Guest Lecture	
	26	27	28	29	30
		Lecture 8: Scoring Auctions & Buyer-Determined Auctions		Problem Class 4: Assignment 3 Lecture 9: Sourcing & Supply Risks	
July	3	4	5	6	7
		Lecture 10: Information Management		Problem Class 5: Assignment 4 Lecture 11: Common Value Auctions	
	10	11	12	13	14
		Lecture 12: Wrap-Up		EXAM?	