

Supply Chain Management: Strategic Procurement

Updated on May 12, 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. E.g., 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 the most important aspects in strategic procurement. 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 to reach more complex goals in procurement. For example, what is important when awarding a contract for a long-term procurement project or how to procure innovation.

2 Administration

Class times	Tuesday, 16:00-17:30 (Rene-König-Hörsaal XXIV) Wednesday, 10:00-11:30 (Rene-König-Hörsaal XXIV) Friday, 08:00-09:30 (Rene-König-Hörsaal XXIV)
Faculty	Nicolas Fugger Mail: fugger@wiso.uni-koeln.de Office hours: by appointment
Teaching assistant	Moritz Wegener Mail: wegener@wiso.uni-koeln.de Office hours: by appointment
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 five assignments students can earn one bonus point. 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.

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 four members. By uploading the solution each member of the group agrees to present the solution in the next problem class. For uploading complete solutions and being willing to present them you earn bonus points.

4 Course agenda

Figure 1: Calendar

October	10	11	12	13	14
		Lecture: Welcome & Introduction	Lecture: Strategic Thinking		Problem Class: Introduction Project
	17	18	19	20	21
		Lecture: Strategic Thinking	Lecture: What to Buy?		Problem Class: Assignment 1
	24	25	26	27	28
	Lecture: How to Buy?	Lecture: Negotiations		Problem Class: Assignment 2	
November	31	1	2	3	4
			Lecture: Negotiations		Problem Class: Assignment 3 Q&A: Project
	7	8	9	10	11
		Lecture: Procurement Auctions	Guest Lecture: Aspects in Procurement Practice		Problem Class: Assignment 4
	14	15	16	17	18
		Lecture: Scoring Auctions & Buyer-Determined Auctions	Guest Lecture: Aspects in Procurement Practice		Problem Class: Assignment 5 Submission: Project
	21	22	23	24	25
		Lecture: Procurement of Innovation	Lecture: Wrap Up, Q&A		
28	29	30	01	02	