



## Level 5 Diploma in Marketing (880) 141 Credits






<b>Unit:</b> Purchasing & Supply Management	<b>Guided Learning Hours:</b> 240
<b>Exam Paper No.:</b> 3	<b>Number of Credits:</b> 24
<b>Prerequisites:</b> Knowledge of business organisation	<b>Corequisites:</b> A pass or higher in Certificate in Business Studies or equivalence.
<p><b>Aim:</b> Businesses mainly focus on their core competencies and rely on suppliers for all other goods and services needed to satisfy customer demand. To enable this smooth transition and avoid replication effects, those in Purchasing &amp; Supply activities must closely manage their distribution and supply chain. This unit offer learners an opportunity to position themselves for jobs in the increasingly important fields of purchasing and supply management. The unit include topics in accountability, international business, personal selling, marketing channels, purchasing strategy, sales forecasting, buyer behaviour, logistics, inventory and materials management. Through these variety of topics learners specifically learn how to identify global sources for supply, establish logistics and support systems, maintain quality control, design vendor evaluation systems, and more. The unit is intended to introduce learners to the main skills and ideas involved in working in the purchasing and supply chain, and enable learners to solve day-to-day problems and run routine operations. On completion of the unit, learners will understand: purchasing principles; selecting the right supplier; effective negotiation in purchasing and supply; managing inventory; the business environment for purchasing and supply; the integrated approach to planning, acquisition, flow and the distribution of goods from raw materials to finished products. Finding success in today's multi-dimensional work-place requires strong management skills. In the Purchasing and Supply Management unit, learners focus on the management function, building the skills and concepts necessary to develop into a successful manager.</p>	
<b>Required Materials:</b> Recommended Learning Resources.	<b>Supplementary Materials:</b> Lecture notes and tutor extra reading recommendations.
<b>Special Requirements:</b> The unit requires a combination of lectures, demonstrations and discussions.	
<p><b>Intended Learning Outcomes:</b></p> <p>1. Purchasing and supply principles, performing purchasing and supply management duties; ethical business practices in purchasing and supply.</p> <p>2. The processing of stock transport order, standard purchase orders and request for quotation issued to the vendor and promotions and allocation tables.</p>	<p><b>Assessment Criteria:</b></p> <p>1.1 Outline logistic activities</p> <p>1.2 Analyse challenges facing purchasing and supply chain</p> <p>1.3 Identify the role of supply management</p> <p>1.4 Contrast supply management and return on investment</p> <p>1.5 Distinguish operations management from supply chain management</p> <p>1.6 Describe the determinants of supply and demand in a competitive market</p> <p>1.7 Describe the organisational structure of the Purchasing Organisation; influencing factors of position of purchasing; levels of tasks, responsibilities and authority.</p> <p>1.8 Outline purchasing department activities</p> <p>1.9 Analyse factors affecting organisational structure</p> <p>1.10 Distinguish operational vs strategic activities</p> <p>1.11 Describe how a purchasing transaction is processed.</p> <p>2.1 Outline the steps in supply process</p> <p>2.2 Analyse internal information flows</p> <p>2.3 Examine and describe departments associated with purchasing and supply</p> <p>2.4 Define demand management</p>

<p>3. Enterprise Resource Planning (ERP) Systems; supporting innovation, operational excellence, and end-to-end business processes with resource planning (ERP) software.</p>	<p>2.5 Outline supply management tools, trends and tactics</p>
<p>4. How Total Quality Management (TQM) philosophy satisfies the customer, the supplier, and continuously improve the business processes.</p>	<p>3.1 Identify Electronic Data Interchange (EDI) benefits  3.2 Analyse the essence of ERP systems  3.3 Define eCommerce  3.4 Describe ERP software integrated facets of development, manufacturing, sales and marketing.</p> <p>4.1 Define total quality management  4.2 Analyse quality management tools and methodology  4.3 Evaluate specifications and standards in supply management  4.4 Describe quality management corporate management approaches  4.5 Outline the queuing theory</p>
<p>5. Inventory; the types of inventory; supervision of supply, storage and accessibility of items in order to ensure an adequate supply without excessive oversupply.</p>	<p>5.1 Analyse forms and functions of inventory  5.2 Describe the economic order quantity model  5.3 Define Materials Requirement Planning (MRP) and Distribution Resource Planning (DRP)  5.4 Design statement of work  5.5 Describe functions of inventories  5.6 Identify costs of holding inventory  5.7 Describe stochastic modelling  5.8 Outline the production framework  5.9 Examine the selective inventory control methods.</p>
<p>6. Transportation and delivery scheduling times (time duration) needed to carry out certain activities and dates that are calculated on the basis of these times.</p>	<p>6.1 Identify issues facing the logistics industry  6.2 Describe the transportation industry segments  6.3 Describe the relationship between supply demand and logistics management  6.4 Describe how cost benefit analysis determines how well, or how poorly, a planned action will turn out.  6.5 Describe price and cost analysis  6.6 Identify problems of using cost analysis  6.7 Explain cost benefit analysis positive factors and negative factors</p>
<p>7. The concepts of supplier relationship management; approach to managing interactions with the organisations that supply goods and services.</p>	<p>7.1 Develop supplier contract to enhance relationship management  7.2 Define contract management  7.3 Outline purchasing measurement guidelines  7.4 Describe supplier relations inputs and outputs  7.5 Describe advantages and disadvantages of single and multiple sourcing  7.6 Examine the market mechanisms and the technological developments in the SRM</p>

<p>8. Equipment procurement procedures that enable significant cost-savings on equipment and supply costs.</p> <p>9. The purpose of ethics in purchasing and supplies; guiding buying organisations on developing ethical purchasing practices in the supply chains.</p> <p>10. Understand how Global Supply Management (GSM) solutions enable enterprises to design, plan, execute, control, and monitor supply chain activities to create net value, build competitive infrastructure, leverage worldwide logistics, coordinate supply and demand.</p>	<p>market.</p> <p>8.1 Compare operating leasing and financial leasing</p> <p>8.2 Define total cost of ownership</p> <p>8.3 Describe equipment purchasing problems</p> <p>8.4 Outline types of compensation agreement</p> <p>8.5 Describe the tender and procurement process.</p> <p>9.1 Describe types of warranties</p> <p>9.2 Define ethics</p> <p>9.3 Outline principles and ethical standards</p> <p>9.4 Design a Supply Management Code of Ethics</p> <p>9.5 Describe how good ethical practice can enhance the organisation's integrity and reputation.</p> <p>10.1 Identify reasons for global purchasing</p> <p>10.2 Identify problems associated to global purchasing</p> <p>10.3 Design guidelines for dealing with international suppliers</p> <p>10.4 Define countertrade. Describe advantages and disadvantages</p> <p>10.5 Outline reasons organisations make instead of buying and vice versa</p> <p>10.6 Analyse supply strategy techniques</p> <p>10.7 Explain how Global Supply Management solutions measure performance globally</p>
<p><b>Methods of Evaluation:</b> A 2½-hour written examination paper with five essay questions, each carrying 20 marks. Candidates are required to answer all questions. Candidates also undertake project/coursework in Purchasing &amp; Supply Management with a weighting of 100%.</p>	

### Recommended Learning Resources: Purchasing & Supply Management

<p><b>Text Books</b></p>	<ul style="list-style-type: none"> <li>• Purchasing and Supply Management by P. Fraser Johnson, Michiel Leenders, Anna Flynn. ISBN-10: 0071289372</li> <li>• Purchasing and Supply Chain Management by MONCZKA. ISBN-10: 140801744X</li> <li>• Purchasing and Supply Management Lamar Lee &amp; Donald W. Dobler Donald W. Dobler. ISBN-10: 0070370893</li> </ul>
<p><b>Study Manuals</b></p> 	<p>BCE produced study packs</p>
<p><b>CD ROM</b></p> 	<p>Power-point slides</p>
<p><b>Software</b></p> 	<p>None</p>