# STRATEGIC SOURCING ELECTIVES / 2025

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## FACULTY INFORMATION

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## FACULTY BIO



Finn Wynstra is a Professor of Purchasing and Supply Management at Rotterdam School of Management, Erasmus University (Netherlands), and from 2004 until 2019, he held an Endowed Chair sponsored by the Dutch Association for Purchasing Management (NEVI). His research focuses on purchasing and supply management, and in particular the interdependence of supply and innovation processes, buyer-supplier relations in business service contexts, and ethics in procurement. In 2013, he received the Hans Ovelgönne Award from the International Federation of Purchasing and Supply Management (IFPSM), for his contribution to the development of the field.



Jürgen Scherer holds a MBA and PhD from Cologne University in Germany. He has 30 years spanning broad industry experience in Executive positions for global corporations in Germany and the US, namely FMCG company Henkel, Specialty Chemicals company Cognis (acquired 2010 by BASF) and Industrial Packaging company Mauser. He has published various papers in business journals and readers and has presented Business-to-Business Management topics at International conferences. Since 2019 he is a Business Consultant & Coach with www.bxb-exchange.com and is lecturing at various Business Schools in Europe and in the US.

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## ABSTRACT

The time that the procurement function – or: purchasing and supply management – was seen as a corporate backwater is long past, for many organisations at least. Several successful CEO's have a background in procurement, such as Apple's Tim Cook and GM's Mary Barra and many organisations have realized that procurement is a truly strategic business function. The most fundamental development is the growing realization that procurement can not only contribute to the 'bottom-line' of organizations, but also to the 'top-line'. In other words, the buying organization does not only seek to reduce costs but also to increase the revenue-generating potential of the acquired inputs. Moreover, procurement has an important impact on the organisation's performance in terms of sustainability, in terms of environmental, social and governance aspects (ESG).

In this course, we will focus on a number of current topics across the more strategic activities within the procurement cycle: in other words, we will focus on the "sourcing" part, as opposed to the "procure-to-pay" part – hence the name of this course.

The central argument in this course is that strategic sourcing is essential for almost any organisation - whether in manufacturing or service industries or the public sector – and we will illustrate this by using readings, cases, and guest speakers from a variety of industries.

### Additional Info:

This course is not just suitable for participants that are pursuing/aiming for a career in procurement and supply chain management, but also for participants on/seeking a career in general management or consultancy – anyone who believes that understanding and being able to improve the sourcing processes of an organisation is beneficial for one's organisation and one's own career. Moreover, we will be drawing explicit parallels between the (business) marketing function and the procurement function.

Based on these considerations, we have identified six topics that we believe are highly relevant and interesting for (executive) MBA students:

*1. Strategic Transformation (Juergen Scherer)*
Procurement has been long identified as a strategic market(ing) function within business organizations. However, the transformation into a strategic positioning is still at various stages of implementation. In this session we will identify and discuss the role and the value proposition of procurement dependent on the market strategy of the company and its supply chain organization, various stages of organizational maturity and a roadmap for transition and change management.

*2. Category Sourcing Strategies (Juergen Scherer)*
Category Management has originated in the FMCG-Retail space in order to optimize a product/ service category in its downstream go-to-market approach. The application in the Procurement space is the optimization of a product/service category in its upstream go-to-market approach. In this session we will highlight the key steps of a category management implementation cycle for products and services within a business organization.

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3.  *Supplier and Customer Relationship Management (Juergen Scherer)*
Purchasing, like Sales, is a boundary spanning function with ambidextrous challenges managing internal and external relationships. Selecting, developing, maturing, but sometimes also terminating such relationships in a trustful, ethical and profitable way is essential for value generation, total cost and risk management. In this session we will evaluate buyer-supplier relationships (BSR) from an intra- and inter-organizational as well as from a buy- and sell-side perspective.

4.  *Leveraging suppliers for innovation (Finn Wynstra)*
Particulary in industries such as electronics and automotive, buying firms have been increasingly and relying on suppliers for creating innovative products (and related services). But involving suppliers successfully – effectively and efficiently – in new product development projects is not a simple task. We will review the challenges involved, and effective practices to overcomes these. We will also consider how to effectively involve startup suppliers.

5.  *Contracting for Performance (Finn Wynstra)*
Both in the private and public sector, there has been a renewed interest in what is called 'performance-based contracting' (PBC). Under such contracts, suppliers are primarily rewarded for outputs and outcomes, not inputs and efforts. Suppliers, however, are facing extra risks under such contracts, and are often reluctant to sign up. When are PBCs effective, and when not? And what can be done to make them as effective as possible, both by the supplier and the buying organisation?

6.  *Sustainability (Finn Wynstra)*
For many organisations, their upstream supply chain contributes a major part of how they impact the environment and the lives of people, and the procurement function is playing an increasing role in sustainability initiatives. But many challenges remain; What standards to apply to measure environmental and societal impact? What auditing and incentive schemes to use? How to identify, assess and mitigate risks at suppliers that are located further upstream?

Finally, we will cover current trends and challenges in procurement digitalisation. We will invite a guest speaker for this, during the second weeken of the course (sessions 4-6).

## EDUCATIONAL GOALS

| Learning areas | Educational goals |
|---|---|
| I. Content- related | Understand the role of strategic sourcing in the value chain |
| | Understand the relationships between buyers and suppliers in the value chain |
| | Understand the potential contributions of suppliers to innovation |
| II. Skills-related | Identify and apply different forms of category sourcing strategies |
| | Identify and apply different forms of performance-based contracting |
| | Identify alternative approaches to enhance the sustainability dimension of supplier relationships |
| III. Attitude-related | Awareness of the challenges for successful change management in strategic sourcing Awareness of the potential contribution of strategic sourcing to sustainable value chains |

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## TEACHING METHODS AND WORKLOAD

Each session will be organized around a brief introduction by the lecturer, a teaching case discussion and an interactive exercise/break out session or a guest lecture. Teaching cases will have to be prepared before one comes to class.

| Description | Calculation | Total |
|---|---|---|
| In-Class sessions: | 6 sessions x 3 hours | 18 hours |
| Class Preparation / Pre-readings: | | 30 hours |
| Teaching Case Presentations | | 10 hours |
| Teaching Case Notes | | 6 hours |
| Interviews | | 20 hours |
| Total Course Hours | | 84 Total hours |
| EC (Number of study credits) | 3 EC x 28 | 84 Total hours |

## GRADING AND ASSESSMENT

| Course: Strategic Sourcing | Assessment formats | | | | |
|---|---|---|---|---|---|
| **Learning outcomes** | **Teaching case presentations** | **Teaching case notes** | **Interviews and report*** | **Participation** | **Total** |
| After following this course, the student is able to: | | | | | |
| Understand the role of strategic sourcing in the value chain | | X | X | X | |
| Understand the relationships between buyers and suppliers in the value chain | X | | X | X | |
| Understand the potential contributions of suppliers to innovation | | X | X | X | |
| Identify and apply different forms of category sourcing strategies | | | X | X | |
| Identify and apply different forms of performance-based contracting | X | | X | X | |
| Identify alternative approaches to enhance the sustainability dimension of supplier relationships | | | X | X | |
| Awareness of the challenges for successful change management in strategic sourcing | | X | X | X | |
| Awareness of the potential contribution of strategic sourcing to sustainable value chains | | | X | X | |
| | | | | | |
| Weighting factor | 30% | 25% | 45% | 0% | 100% |
| Minimum grade required | 5.5 | 5.5 | 5.5 | Pass | 5.5 |
| When failed, resit option within Academic Year (Yes/No) | Y | Y | Y | N | |
| Form of Assessments (e.g. MC, Open-book, etc.) | Presentation | Essay | Essay | N/A | |
| Group / Individual assessment (Group/Individual) | Group | Invidivual | Individual | Individual | |

* Students select their own topic(s) for the interviews, so which learning outcomes are assessed may vary.

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In order to pass the course, each assessment or deliverable (component grade) with a resit option, needs to be at least 5.5. Components with no resit option bear no minimum grade required, but to pass the overall course, the final grade needs to be at least 5.5.

Grades are rounded according to the rounding provisions included in the Examination Regulations (ER) of the programme, and are expressed with 1 decimal point.  Not meeting the minimum grade required for either a component grade or the overall course grade determines a fail for the course. Participants can resit a failed component only once. There is no capping of the grade for a resit examination, unless determined by the faculty. The only exception is when the nature of the failed assignment allows for an improvement effort of the same assignment (capped at 5.5 for that component). For this particular course, the faculty has decided that:
- Failed teaching case presentation and case notes qualify for a replacement assignment
- Failed interview reports qualify for an improvement assignment

Grade penalties for unauthorized late submissions will be automatically imposed. Penalties for unauthorised late submissions range from 10% to 20% deduction from the examination component depending on the hours/days late. Unauthorised late submissions 4 days or longer after the deadline without prior notification and a reasonable explanation for the late submission, will not be accepted.

Attendance is mandatory and a requirement to pass the course. Missing classes and arriving late may result in grading penalties and even a fail for the course.

**Fraud, Plagiarism / Self-plagiarism (Appendix B on Code of Conduct, Examination Regulations -ER-)**
The Examination Board defines fraud as "*the action or negligence of a student because of which it is impossible, entirely, or partially, to form a correct judgment about the knowledge, insight, and skills of them or another student*" (ER, 2024-2025). Examples of fraud are cheating, cribbing, plagiarism, freeriding in a team assignment, availability of unauthorized (study) material during a test such as mobile phones, contract cheating/outsourcing/ghost-writing, unauthorized use of generative AI, identity fraud, theft.

Confirmed cases of fraud/plagiarism will lead to (appropriate and proportional) sanctions as defined by the Examination Board in the Rules and Guidelines section of the Examination Regulations (ER). Repetitive cases of fraud/plagiarism lead to expulsion from the programme.

Plagiarism is presenting another person's work as one's own. Plagiarism includes any paraphrasing or summarising of the work of another person or group without acknowledgment, including submission of another student's work as one's own. Plagiarism frequently involves a failure to acknowledge the quotation of paragraphs, sentences, or even a few phrases written or spoken by someone else.

Using ideas from your own prior work (assignment) without referencing the work in your assignment is considered self-plagiarism.

Participants are required to adhere to the 6 principles outlined in the RSM AI guidelines with regard to the use of Artificial Intelligence Platforms such as ChatGPT and related software/tools. The unauthorised use constitutes violation of plagiarism/ fraud policy. For this particular course, the faculty promotes an "*restrained*" use of AI.

For more information about academic integrity and AI please refer to the Programme's Examination Regulations and RSM AI guidelines documents on the Student Hub.

| Deliverable: | Individual or group: | Due date: | % of final grade: |
|---|---|---|---|
| Teaching case presentations | Group | One per weekend | 30 % |
| Teaching case notes | Invidivual | One per weekend | 25 % |
| Interviews and report | Individual | Monday, 11 November, 09:30 AM | 45 % |
| Participation | Individual | Each session | 0 % |

## REQUIRED TEXTBOOK(S)

There is no core textbook for this course. All reading materials, videos and teaching cases will be offered via Canvas. Given the variety in previous (procurement-specific) job expertise among course participants, we provide a mix of more foundational materials (e.g., a chapter from a text book or a introduction video) and more advanced materials. If you are already somewhat familiar with the topic of a specific session (for instance, because you have followed the course Advanced SCM before), we encourage you to also explore the recommended preparation materials.

## SUGGESTED EXTRA MATERIALS

Offered via Canvas.

## ASSIGNMENTS DESCRIPTION

### Teaching case presentations:

In teams of 3-4 students, for each weekend, you need to submit one presentation (6 slides) on a teaching case before the start of the session. In grading the team assignments, we apply four main criteria:
- Logic and coherence of argumentation
- Quality of the support for claims and arguments
- Innovativeness/creativity in insights and recommendations
- Communication (flow, structure, style, language)

For the case , we split up 10 pts (about evenly) across the questions – and we apply all four main criteria in grading the response to each question. Each assignment will be graded from 1 to 10, with 0.5 increments.

### Teaching case notes:

For two teaching cases, students need to write an individual note, prior to the session. This consists of a one page, bullet-list style memo (400-500 words). For these, we use a simplified grading scale: insufficient (5/10), good (7.5/10) and excellent (10/10). The criteria here are:
- Logic and coherence of argumentation
- Quality of the support for claims and arguments
- Innovativeness/creativity in insights and recommendations

### Interviews and report:

Your assignment is to conduct two interviews with managers from your own organization (or a previous employer), on one of the six topics from the course. You can interview two managers on the same topic (e.g., a category sourcing manager and internal client on category sourcing) or two managers on different topics. The deliverable is a written report that summarises and reflects on the interviews (3,000-4,000 words), and preferably

a recording of the interviews if the manager agrees (Zoom, Teams). As an indication, each interview should last between 45-90 minutes. The report should address the following:

- What is the current status of the organisation, regarding this topic?
- What are the specific problems, and what are the consequences? What are the underlying causes? What has been tried in the past, and what did (not) work and for what reasons?
- What are the potential improvements? Do the required improvements vary across suppliers/categories/etc? What is the role of the different departments involved in these improvement efforts?

While the diagnosis of the current situation should be largely based on the interview itself, the recommendations should primarily come from you.

In assessing the quality of the interviews and the report, we will be looking at:

- The quality of the questions being asked; are they specific and coherent? (max 2 pts)
- Clarity, coherence and level of detail in the description and diagnosis of the current situation (max 2 pts)
- Quality of the recommendations; sufficiently clear/detailed, logical relation with diagnosis, innovative, effective? (max 2 pts)
- Connection to materials/discussions from class, where appropriate – both in the interview questions (diagnosis) and the recommendations? (max 2 pts)
- Communication (flow, structure, style, language) (max 2 pts)

**Participation quality:**

The criteria to judge effective class participation are:

- Relevance (no irrelevant content or digressions)
- Accuracy (correctness, understanding)
- Reflection (critical thinking)
- Engagement (reference to readings, other course materials and previous lectures)