

### **Mapping the DNA of business and strategic sourcing through a sustainable project approach**

It is imperative that procurement is brought into the boardroom and that procurement executives learn to map the business DNA and have strategic sourcing as integral element of their business strategy.

Development of the procurement function is reached by developing the competences of the professional.

The Executive MBA in Procurement Management is a specialization MBA for purchasing and procurement professionals based on supply chain principles and business competences and executed through an integrated project approach. The program is developed by the organization EIMD, which has successfully offered this and other education programs for over 14 years. The structure of the program is partly based on project management and partly based on knowledge management around strategic sourcing, tactical and operational procurement.

**Objective of the program is to get participating procurement professionals on a higher strategic level of thinking and acting in their procurement function and to empower them by also understanding the other business processes within their own organization. They will work on sustainable solutions like decreasing the Total Cost of Ownership and increasing the purchased value of goods and services.**

### **Key facts**

#### **Developing the competences of the procurement professional**

It is imperative that procurement is brought into the boardroom and that procurement executives learn to map the business DNA and have strategic sourcing as integral element of their business strategy.

Development of the procurement function is reached by developing the competences of the professional.

#### **Sustainable solutions via integrated project**

Throughout the program the participating professionals will work on sustainable solutions for their organization, like decreasing the Total Cost of Ownership and increasing the purchased value of the goods and services.

Since the start of the Executive MBA in Procurement Management program in 2003, several interesting projects have been successfully implemented in the field of category management, stakeholder management, e-procurement and commodity hedging.

#### **International experience**

A Procurement Management module at the University of New Hampshire (New Hampshire, USA) about major trends and current issues in Supply Chain Management, with a strong emphasis on Procurement and Supply Management. The one week seminar is an interesting, instructive experience where you get feedback from a different (international) perspective and you can test your knowledge at a reputable foreign university.

### **Programme Structure**

#### **Curriculum**

The program consists of seven focus (procurement) courses and five core (general business) courses, executed in five terms.

- Nine courses are executed in eight individual sessions of four contact hours each, every two weeks on Saturday;
- One course is executed as a four-day seminar (eight successive sessions of 4 contact hours each);
- One course is partly executed as a two-day seminar (four successive sessions of 4 contact hours each and four individual sessions of 4 contact hours each);
- One course is executed by independent study and has to be finalized within six months.

#### **Focus courses**

- F1 Procurement Process Maturity Management
- F2 Procurement Process Management & Methodologies
- F3 Supply Chain Relation Management
- F4 Total Cost of Ownership
- F5 Technology in Procurement
- F6 Management of Procurement Competences
- F7 Capita Selecta: module Change Management and module Power Positioning & Strategic Sourcing

#### **Core courses**

- C1 International Organizational Behaviour
- C2 Global Business Strategies
- C3 Financial Analysis in relation to Procurement
- C4 Managing Global Resources (four day seminar)
- C5 Management of Organizations (independent study)

### **International Experience**

This module is a Procurement Management seminar at the University of New Hampshire (New Hampshire, USA) about major trends and current issues in Supply Chain Management, with a strong emphasis on Procurement and Supply Management. The one week seminar is an interesting, instructive experience where you get feedback from a different (international) perspective and you can test your knowledge at a reputable foreign university.

The aim of the seminar is to provide a thorough review of principles, techniques and practices of procurement management with particular emphasis on:

- Developing and measuring professional effectiveness in the procurement function
- Understanding the motivations and implications of strategic supplier management
- How to assess/measure the value added by the purchasing or procurement function.

It is also intended to expose participants to the latest research studies and developments of thought and practice, as well as to encourage them to explore the applicability of these concepts and practise to their own environment.

### **Integrated project and thesis**

Besides the above mentioned lectures, you will work on an integrated project throughout the program, resulting in a project report. During the execution of the project you will choose a thesis subject in a specialized field of procurement and start your desk- and field research. To complete the program, you will defend (present and discuss) your thesis before the Defence Committee in order to obtain your MBA degree.

### **Study load**

Participants should take into account approximately 5 to 6 study hours per week, outside class sessions of one day per two weeks.

### **Admission criteria**

The Executive MBA in Procurement Management is designed for working professionals with the following qualifications:

- A bachelor degree or higher
- Relevant professional qualification, preferably in purchasing/procurement
- An average of 8 years work experience (requirement of at least 4 years)
- An international and ambitious outlook
- Willingness to embrace the rigors of combining work and study
- Proficient in the English language (optional TOEFL test)

Candidates with vigorous deficiencies will be submitted to the Graduate Management Admission Test (GMAT). (The minimum GMAT score for the Executive MBA in Procurement Management program is 500)

**The school provides a challenging and integrated educational environment that is externally engaged on creating technologically proficient problem solvers, innovative and critical thinkers and ethical business leaders.**

### **Contact**

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## Course Descriptions

### Focus Courses

#### **F1 Procurement Process Maturity Management**

*A strategic review in: Value Chain, Supply Chain management, Procurement Objectives and acquisition strategy.*  
This course is lectured by Mr. Stoker who was Senior VP Corporate Strategy at Emeritor from 2000 to 2008. Before this he worked 35 years for Shell International, where in the end he had a corporate responsibility for procurement and logistics on a global scale. The course starts with the strategic development process, using traditional (Greiner Model & INK model) and new theories (Robert E. Quinn) in developing companies' mission, vision goals and objectives. This will be discussed by Drs. P. Doeve PhD, who has end responsibility for this course. The relationship between Value Chain and Supply Chain will also be introduced, including how to work with corporate strategies in relation to procurement strategies. The course further examines a Procurement process Maturity Model (EPPM-Model, a process oriented management tool) to review the organizational effectiveness and to recognize its contribution towards long term savings in the procurement function. The model is based on the Capability Maturity Model of the Software Engineering Institute. Various other strategic procurement process models such as: the "House of Procurement" concept, the purchasing process of Van Weele, the AT-Kearney model, the Monczka model(s) and the model of Kamann are introduced, to identify the position of procurement in the organisation, its relation to the company's mission and strategies. Best in class and daily situations of participants are discussed via case studies.

#### **F2 Procurement Process Management & Methodologies**

Prof. Mr. Dr. Ir. Sicco Santema and Drs. Jeroen van de Rijt discuss the use of best in class methodologies and techniques to generate procurement value through defined procurement strategies. The main focus is to understand procurement from a dyadic perspective and chain perspective. Leading and central models in the course are the Kraljic matrix and the customer pyramid of Jay Curry. Curry's customer pyramid adds a sales perspective to procurement.  
The second major theme – next to the introduction of procurement from a sales perspective – is "waste in the chain" and ways and methods how to get rid of this waste.

#### **F3 Supply Chain Relation Management**

In this course Prof. Dr. Dirk-Jan Kamann defines the Supply Chain Management concept and its complexity and examines supplier relations and supplier differentiation, with various models and processes. The course introduces the aspect of supplier management, from a supplier base reduction process to a supplier integration process. It also handles the role of procurement in the internal customer relationship within the sales and marketing processes. Materials management and master planning topics are examined in combination with the supply chain management concept. The course also expands the knowledge of the purchasing function in organisations and the related processes of materials and supply management. Participants will develop skills for diagnosing organisations, know which analytical tools to use and they will be able to deal with the various strategic, tactical and operational issues in purchasing. Next to the skills to describe and evaluate the purchasing function of organisations in different situations, the course will offer participants the theoretical framework to redesign this purchasing function. They will also be able to draw up appropriate differentiated strategies for supplier management.

#### **F4 Total cost of ownership**

Here we will discuss the concept of total cost of ownership and the alternative ways of sourcing which modern organizations consider to reduce their operational costs, improve their balance sheet and to explore strategic advantages of co-sourcing and co-making as a way of improving their competitive position. The lecturers present the theoretical framework and case studies taken from manufacturing, IT and other disciplines. The participants will apply the total cost of ownership principles to their own environment and evaluate the benefits of outsourced or co-sourced processes.

The course reviews the concept of Supply Chain Management with its logistic activities and integral relationship with Value Chain, Procurement and Life Cycle Cost. This is based on the Total Cost of Ownership concept, thorough analysis and enduring contract management. The issues of world trade regulations are discussed. Furthermore the legal impact of European regulated procurement on international contract management is an important topic in this course.

### **F5 Technology in Procurement**

Ir. Van Blommestein is senior advisor for management & consultancy bureau Berenschot in the area of Information Management, Logistics and E-Business. He will discuss the application of Information Technology in procurement on a strategic, tactical and operational level, the management of information from the perspective of procurement and the use of the Internet to realise strategic objectives. The course focuses on the use of information technology and the management of information. In many companies, due to the specific language spoken by IT professionals and to the lack of interest of general management, a gap exists between information requirements of business functions and technology deployed. Yet Information Technology consumes an increasing share of the company budget, is a critical enabler for the business processes and an important factor for the company's competitive advantage. Objective is to close this gap by offering the participants tools and methods to translate procurement strategy into information systems requirements.

### **F6 Management of Procurement Competences**

This course examines the human relations factor of Procurement Management via a problem setting: "How can I build up the sustainability of the procurement management competences in my organization – based on the present situation – for the following five years?"

Participants will learn to apply strategic management competence, knowledge management & organizational learning to operational performance metrics. The course integrates three topics to operational procurement performances.

Elaboration of the theory of dynamic capabilities (TDC) to the daily management competences.

TDC is an elaboration of Porter's market oriented theory (MOT) and Penrose's resource based view (RBV). TDC evolves from experience combined with knowledge articulation and codification, whose success depends on frequency of experiences, heterogeneity of task experiences, and the causal ambiguity. (Zollo and Winter 199, Singh and Zollo 1999).

### **F7 Capita Selecta Procurement**

This part of the program is to give participants the opportunity to gain additional knowledge in specific areas related to procurement management. To complete this course they will cover two topics, each one executed in a module consisting of four sessions of four hours.

#### **Topics:**

#### *Power Positioning and Strategic Sourcing*

This two-day workshop by Prof. Andrew Cox of Birmingham University provides an introduction to the five strategic sourcing options available to buyers when they interact with suppliers. It demonstrates that transactions between buyers and suppliers are at the heart of business and commercial exchange, and that the outcomes from business relationships can be aligned, misaligned and sub-optimal or misaligned and dysfunctional. The workshop also introduces participants to power regime analysis and strategic source planning methodologies. These methodologies are regarded as best practice approaches for practitioners seeking to optimise business relationships between buyers and suppliers. First, the power regime approach is looked at operationally by working on two case studies, followed by a discussion about the strategic and tactical role of procurement and supply in business.

#### *Change Management*

In this module the focus is on planned change. Throughout the 4 sessions the students will work on an individual change project plan.

#### Objectives:

- Understanding and applying the academic theories, models & tools into the individual change project plan.
  - Integrating the six dimensional business practices into the individual change project plan.
- Applying the basic project/process/program skills into the change plan for the own (procurement) organization.

## Core Courses

### **C1 International Organizational Behaviour**

This course is lectured by Christine Fitzgerald MA, who has been an Adjunct Professor of Psychology and Management at Webster University since 1985 and was head of their department of Behavioural and Social Sciences from 1992 until 1999 and from 2000 until 2003. She addresses the interdisciplinary foundation of fundamental concepts about the nature of people and organizations and gives insights about people at work in all kinds of organizations. The course provides a framework for integrating the four elements of people, structure, technology, and the environment. Topics include fundamental concepts, systems, models, organizational culture, communication forms, mainsprings of motivation, appraising and rewarding performance, employee attitudes and their effects, leadership and supervision, participation, interpersonal and group dynamics, managing change, organizational development, organizational environment, socio-technical work systems, coaching, stress and counselling. Special attention will be placed on the international dimensions of organizational behaviour such as social, political, and economic conditions affecting multinational operations, managing an international workforce, barriers to cultural adaptation, and productivity and cultural contingencies.

### **C2 Global Business Strategies**

Prof. Wolfgang Haufe will introduce the participants to the terminology of international business and to the current theories and policies related to modern global business management. Special attention is given to fundamental concepts of international strategy, finance, accounting, law and management. The main focus is directed towards the planning process of international commercial commitments of any type of business. The course covers the entire pre-planning process of the assessment of company ability, the cultural distance to foreign markets, the commercial reach, the priority ranking of markets, the optimal form of foreign commercial presence, search and selection of suitable foreign partners or sites for own establishment and the contractual aspects of engaging foreign commercial partners. It also addresses ethical issues in the global context.

### **C3 Financial Analysis in relation to Procurement**

Prof. Peter Doeve PhD gives an overview of the leading financial theories in corporate decision making. Procurement managers are confronted with a variety of challenges in their quest to implement category management and to provide a financial overview in the execution of projects. In many companies procurement employees are not able to analyze balance sheets, profit and loss statements and cash flow statements and develop a business case for the project or the tasks that need to be fulfilled in the coming book year. In this course participants will learn to analyze financial figures quickly and combine process information in order to understand the business. Based on the business drivers and process performance participants will develop a complete business case with expected financial results. This course will give participants a basic understanding of adding value and measuring the performance in financial terms.

### **C4 Managing Global Resources**

To succeed as a manager in procurement management, the purchasing professional has to effectively integrate and manage global resources – human, operational, marketing, and financial – into a tight, coherent whole. In the four-day seminar Managing Global Resources, participants learn how this is done. We don't reinforce the separation of functions by focusing on them one at a time. Instead, this course is organized around four objectives that are vital to today's corporations: creating customer value, managing the supply chain, building competitive advantage, and leading and managing change. Rather than treat functional areas in isolation, we demonstrate how they can be integrated to achieve each objective, adopting a global perspective. To illustrate the integration process and the achievement objectives, we will use a real word, integrative case.

### **C5 Management of Organizations**

This course is completed by self study within six months after a kick-off session by Dr. G. Schumburg. The course examines both theory and practice of Managing Organizations and serves as an introduction to international business, management, international companies and organizations. The field of MANAGEMENT is undergoing a revolution. The traditional paradigm assumes the purpose of management is to control and limit people, seek stability and efficiency, use rules and regulations, design a top-down hierarchy to direct people, and achieve bottom-line results. The newly emerging paradigm assumes the purpose of management is to harness peoples' enthusiasm and creativity; find shared vision, norms, and values; share information and power; encourage teamwork, collaboration, and participation; develop people to adapt to extra-ordinary environmental changes and achieve total sales effectiveness. Both paradigms are guiding management actions, today, in the world. The key question is "how?" The goal of this course is to introduce the new paradigm in a way that is interesting and valuable, while retaining the best of traditional management ideas.