

**Module Description**

# Sourcing international, Outsourcing/Offshoring

**General Information**
**Number of ECTS Credits**

3

**Abbreviation**

TSM\_Sourcing

**Version**

10.10.2015

**Responsible of module**

Prof. Dr. Ing. Herbert Ruile (MBA), FHNW

**Language**

	Lausanne	Bern	Zürich
Instruction	<input type="checkbox"/> E <input type="checkbox"/> F	<input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F	<input type="checkbox"/> D <input checked="" type="checkbox"/> E
Documentation	<input type="checkbox"/> E <input type="checkbox"/> F	<input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F	<input type="checkbox"/> D <input checked="" type="checkbox"/> E
Examination	<input type="checkbox"/> E <input type="checkbox"/> F	<input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F	<input checked="" type="checkbox"/> D <input checked="" type="checkbox"/> E

**Module category**

- Fundamental theoretical principles
- Technical/scientific specialization module
- Context module

**Lessons**

- 2 lecture periods and 1 tutorial period per week
- 2 lecture periods per week

**Brief course description of module objectives and content**

Procurement may be defined as the management of the company's external resources in such a way that supply of all goods, services, capabilities and knowledge which are necessary for running, maintaining and managing the company's primary and support activities is secured at the most favourable conditions (Van Weele, 2010). A company's spend for goods and services can account for 50% to 70% of total cost of goods sold and in order to improve company's competitive position procurement must become international. Procurement as a strategic business driver turns into strategic importance with increasing spend volume and enhancing complexity caused by expanding the nature and geographic distribution of goods and services procured. Therefore the objective of the module is to learn how companies can realize most favourable conditions from international resources for their goods and services.

**Aims, content, methods**
**Learning objectives and acquired competencies**

Students of the module are able

- to understand drivers for using international resources
- to prepare outsourcing decisions (i.e. make or buy, business process outsourcing)
- to prepare sufficient statements of requirements for goods and services
- to select countries and suppliers with favourable conditions
- to define an appropriate supplier relationship in international context
- to use instruments to control the outsourcing process

**Contents of module with emphasis on teaching content**

- 1 Strategy
  - 1.1 competitive advantage & value chains
  - 1.2 Theory and practice
  - 1.3 Assessment of Potentials
  - 1.4 Risk Management
- 2 Statement of Requirement
  - 2.1 Business process analysis
  - 2.2 value stream analysis
- 3 Supply Management
  - 3.1 Supply Market Intelligence
  - 3.2 Supplier Relationship Management
- 4 Controlling
  - 4.1 Investment appraisal
  - 4.2 Performance based contracting (SLA)

**Teaching and learning methods**

Lectures, Case study Method  
Assignments, written and oral presentation

**Prerequisites, previous knowledge, entrance competencies**

Knowledge about strategic purchasing/supply management process and models  
Knowledge of basic purchasing portfolio Management (Kraljic)  
Basics of logistic processes, Process management  
Basics of project management and system engineering (esp. qualitative evaluation methods)

**Literature**

H. S. Kehal, V. P. Singh (2006) Outsourcing and Offshoring in the 21st Century: A Socio-Economic Perspective. Idea  
J. K. Halvey, B. M. Melby (2007): Business Process Outsourcing: Process, Strategies, and Contracts. John Wiley & Sons  
P. Barrer, R. Gervais (2006): Global Outsourcing Strategies. Gower  
R. Monzka, R. Trent, R. Handfield (2005): Purchasing & Supply Chain Management. 3rd ed., Thomson  
R. Hanfield (2006): Supply Market Intelligence. Auerbach

**Assessment****Certification requirements for final examinations (conditions for attestation)**

80% of assignments completed in time and passed. Assignments are based on case study approaches

**Written module examination**

Duration of exam : 120 minutes  
Permissible aids: Written documents, no computer