

TU-E2040 MANAGEMENT OF EXTERNAL RESOURCES: CORE CONTENT ANALYSIS

Theme	Must know (to pass the course)	Should know (to get a good grade)	Nice to know (if you are interested in working in the field)
The significance of external resources in a firm	Understand the significance and strategic role of external resources in contemporary organizations	Understand how the significance of external resources has evolved over time	
	Know how to estimate the total purchasing costs of a firm	Know the basic concepts and principles of relational view -theory	
	Know the critical issues in managing external resources		
Categorization of external spend	What are (purchasing) categories and what is their role in firm's management	Dynamic categorization during category strategy development	Examples of categorization from different firms
	Principles of forming categories	How motivation for category formation affect category stucture	
	Difference between direct and indirect categories		
Spend analysis	Understand what is spend analysis	Different purposes of spend analysis	Examples of spend analysis
	Know how to evaluate profit impact of purchasing		Practical challenges of doing spend analysis
Category strategies and tactical sourcing levers	Understand what is Kraljic matrix and imitations and challenges of its' use	Dynamic use of the Kraljic matrix	Different cases of utilizing Kraljic matrix
	Know how to position a product/category in the matrix	Evaluate alternative strategies	Pitfals of Kraljic matrix use in firms
	Defining basic strategies based on the position in the matrix	Design well-founded category strategies based on a comprehensive analysis	How the Kraljic matrix and its use has evolved over time
	What are tactical sourcing levers and how they are used	Know how to combine Kraljic matrix with other portfolio tools	

	for implementing category strategies		
Total cost of ownership	Understand the principles of total cost of ownership	Evaluate the right level of accuracy that is needed for TCO analysis	Public data sources for TCO analysis
	Understand what are cost elements and cost drivers	Identify and structure cost elements and drivers in different situations	Understanding resources and capabilities needed for making TCO analysis
	Know the different methods for calculating total costs	Know how to select and apply the suitable method in various situations	Knowing firm practices for applying TCO
	Know the different decision making situations where TCO information is needed	Apply the total cost analysis in strategic planning and decision making	
Supply market intelligence	Understand what is supply market intelligence	Defining the right scope of supply market analysis	Know public SMI data sources
	Know the levels of SMI and their content	Know how to carry out supply market analysis	Know different data acquisition mechanism
	Know how to leverage SMI in sourcing process, strategy development, and decision making	Evaluate and analyze supply market information in various situations	Understand the impact of SMI task complexity on data acquisition mechanism
	Know how to monitor key suppliers		
Systematic sourcing process	Know the basic concepts: Request for Information (RFI), Request for Proposals (RFP) and Request for Quotation (RFQ)	Evaluate the scope of the systematic sourcing process in different situations	How to write appropriate and successful RFP:s
	Understand the goals of the RFI-RFP-RFQ process	How to increase buyer's attractiveness among suppliers	
	Know the objectives and tasks of the systematic sourcing process phases	How to prepare for contract negotiations	
	Know the common supplier selection criteria	Design supplier selection criteria based on category strategy and SMI	

	Know how to prepare for contract negotiations	Know various negotiation tactics	
Collaboration and competition	Understand the essence of interorganizational collaboration and partnerships	Understanding the principles of forming and managing partnerships with suppliers	Understand different types of supplier relationship and their management
	Understand the essence of (real) competition among suppliers	Understand the illusion of real competition	
	Know the advantages and risks of partnerships and competitive bidding	Know how to manage collaboration and competition based on category strategy	
	Understand the concept of balanced sourcing	Evaluate the feasibility of partnerships in different situations	
Leveraging external resources in innovation	Understand the principles of open innovation		Know the evolution of research in the field of supplier involvement in PD
	Understand various ways to involve suppliers to new product development and their risks and benefits	Understand the different role of suppliers in continuous (incremental) and discontinuous (radical) innovation	Know examples how firms have implemented open innovation in practice
	Know the critical factors for successful supplier involvement in PD		
Decisions on governance mode: make or buy	Know the process of making systematic and justified make-or-buy decisions	Understanding how to implement theoretical make-or-buy and outsourcing frameworks in various real-life context	Know the common reasons of failure in outsourcing projects
	Know the essence of the core competence concept	Know how to identify what is core in a real-life context	
	Know the theoretical frameworks for make-or-buy decisions: transaction cost		

	economics and resource-based view		
	Understanding the strategic benefits and risks of outsourcing		
Service purchasing	Understanding the distinct characteristics of service purchasing	How to apply Kraljic matrix in service purchasing context	
	Know the four methods for focusing a service supply contract	Understand the implications of input/process/output/outcome focused contract on category management	Know the principles of forming service level agreements
Public purchasing	Know the distinct characteristics of public purchasing	Understand the request for correction and appeal	Know the threshold values of various tendering procedures
	Know the basic concepts in public procurement	Know the market court process, understand its risks, and know how to manage the risks	Understand public procurement as tool for implementing secondary markets
	Know the tendering process in public procurement		
	Know the most common tendering procedures		
	Know the main legislative rules for public tendering		