Aalto University
School of Science

Empirical assignment : Reviewing firm's Category Management

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Purpose and task of the assignment

Purpose

- To reflect the things studied at the course to a real-life situation

Task

- Groups of 4 students describe and review the category management of a given product or service category
- The task includes three parts:

1. **Description**: a well organized, clear and comprehensive description of the category and how the firm analyses, plans and manages it.
2. **Evaluation**: based on comparison of the firm's current practices and what you have learned at the course, how well is the firm currently managing the category?
3. **Proposals**: Based on your evaluation, what could the firm do better?

The basic task is to describe the category

- How is the category formed and what is the significance of the category?
- What need does the products/services of the category fulfill?
- What kind of category planning process and category plan the firm has? What analysis the firm does during the category planning process?
- How does the firm scan and analyze supplier market of the category?
- Does the firm apply total cost thinking and analysis in the category? If they do, how?
- What are the guiding principles in managing the category?
- How the different functions in the firm are involved in managing the category?
- How are the suppliers selected? Describe the supplier selection process and criteria.
- Who are the most important suppliers in the category? What kind of relationship does the firm have with the suppliers and how are the supplier relationships managed? Do they leverage suppliers in innovation?
- On what issues the firm focus their efforts in the category?
- What are the most important challenges and development needs that the firm has identified?
  - *The firm may assign you one question related to the category to consider*
- Other things that are relevant for the category
- Highlight what is most important in the category

Next you evaluate firm’s category management

- Compare the firm’s practices with the learnings from the course in terms of for example:
  - Categorization: how well is the category defined?
  - Category planning process: are the category plans based on comprehensive information and proper analysis?
  - What is the level of firm’s supply market intelligence (SMI)?
  - How well the firm is aware of the total costs of ownership (TCO) in this category?
  - Does the firm have a proper sourcing process?
  - Internal communication and collaboration inside the firm.
  - Managing supplier relationships and leveraging suppliers in innovation
  - Using collaborative and competitive incentives in supplier management
  - Other areas that are relevant for the category

Finally you make suggestions how the firm could improve

- What could the firm do to improve category management and performance, for example:
  - Redesigning the category? How and why?
  - Gathering additional information or making additional analysis for making better category plans? What would be the costs and benefits?
  - Improving SMI or TCO, how?
  - Developing the sourcing process, how?
  - Improving internal communication and collaboration, how?
  - Developing supplier relationship management and supplier involvement?
  - Something else, what?
  - Instead of making a long list of generic proposals, think what is essential in this category and what actions would be most valuable. Justify well your proposals.

Practicalities

Timing

- Deadline for group registration (in MyCourses): October 15
- Deadline for arranging the interview: October 28, 2020
- Deadline for submitting the assignment report is November 30 at 24:00.
- Presentation of the final report: December 2

Arranging the interview

- The interviewee must be a manager in charge of some purchasing category.
- The teachers of the course can provide the interviewee, or you may acquire the interviewee on your own. When you register your group, inform the teacher if you will arrange the interviewee on your own or if you want our help by sending e-mail to kari.tanskanen@aalto.fi

Process

- The data is collected in one interview (live or remotely) that last 1-2 hours. You may also ask the interviewee to send you additional material by e mail. In addition, you may collect data from open sources (e.g. about supply markets).
- Prepare well to the interview by reading carefully the assignment instructions and forming your own data collection plan. We recommend that you use the thematic interview method, where you encourage the interviewee to openly talk about certain themes and you make more specific questions when needed.

Output, submission and presentation

Output

- Category review report in the form of a Word-document and a Powerpoint –presentation with highlights and main conclusions.
- Recommended length of the word-document is 10-15 pages (+references and appendixes).
- Recommended number of Powerpoint-slides is 8-12.

Submission

- The word-document must be submitted in MyCourses by November 30
- The presentation slides must be sent by e-mail to kari.tanskanen@aalto.fi ´by the seminar.

Presentation

- Groups present their reports in a workshop on December 2. The practical arrangements depend on the corona situation and will be announced later.
- Length of the oral presentation is max 15 minutes.

Grading

Maximum points of the empirical assignment is 40

Minimum points to pass the empirical assignment is 20

- Part 1: max 20 points
- Part 2: max. 10 points
- Part 3: max 10 points

- The maximum total points of the course is 100 (weekly assignments 50 + case workshops 10 + Empirical assignment 40)
- The final grade of the course is based on total points
  - *85-100 points = 5*
  - *75-84 points = 4*
  - *65-74 points = 3*
  - *55-64 points = 2*
  - *45-54 points = 1*
  - *0-44 points = 0*

Questions?

If you have any questions regarding the empirical assignment, do not hesitate to contact the responsible teacher of the course by e-mail (kari.tanskanen@aalto.fi).