CBS
COPENHAGEN
BUSINESS SCHOOL
HANDELSHØJSKOLEN

# Minor in Strategic Procurement

## Description

### The Minor concept

A minor gives you the opportunity to specialize your master program even further. The minor is a bundle of electives that can be chosen separately, but if chosen together gives you a coherent set of competencies that qualifies you to a specialist or leadership function, in this case within Strategic Procurement.

### Purpose

With the last 20-30 years of globalization and technological developments, supply markets and networks have become highly complex and therefore demand a well-structured and organized management set-up to find the right suppliers and sustain constructive relationships. The Covid-19 pandemic has made this an even more important matter in order to reduce supply chain disruptions. Further, climate changes empathize the need to source from suppliers with outspoken sustainability agendas. All these developments have led to/must lead to a shift in the role of procurement from cost saving only to value creation for the company as a whole. With this shift, the procurement organization becomes a nexus of relationships with internal and external stakeholders. Internal stakeholders are business units that benefit from the competencies of the procurement organizations and external stakeholders are suppliers of goods and services as well as societies. As cost of goods sold (COGS) is 50-80% in companies with manufacturing and in service companies, the equivalent is 30%, there are plenty of opportunities to create value for the companies not at least through supplier relationships. Procurement is climbing up the strategic agenda in corporations.

The minor in Strategic Procurement gives you a comprehensive set of analytical and management tools to elevate a traditional procurement organization to the strategic level. It provides students with new skill sets to drive procurement transformation from both an analytical and an execution perspective.

### Structure

The minor combines theories and methods primarily from the purchasing & supply management discipline - with specific focus on external-internal relationship building - with that of management accounting giving you the financial insight and measures to understand the function’s performance. Importantly, the minor focuses on how procurement is connected to corporate strategy and the business as a whole. In providing you with the tools to develop the procurement organization to a strategic competence level, the minor further provides insight into leadership issues and

organizational change processes.  The minor consists of three courses each equivalent to 7.5 ECTS each, namely **1)Performance Measurement in Procurement Organizations** that is taught in Q1**, 2) Global Sourcing Management** also taught in Q1 and followed by **3)Procurement Value Creation** in Q2**.** This third course is in particular focused on transformation of the organization and its members.

The below table lists the structure and the ECTS credits of the individual courses.The course descriptions are available in the online course catalogue. Direct links are inserted in the below table.

| Course | ECTS |
|---|---|
| Global Sourcing Management | 7.5 |
| Performance Measurement in Procurement Organizations | 7.5 |
| Procurement Value Creation | 7.5 |

## Content

The focus of the minor and its three courses is how procurement and the procurement organization create value for the organization and primarily the global organization. Even though globalization seems to take a new form these years and are maybe even “going backwards” through back-shoring, many companies are still global in their orientation. A global organization is complex and therefore segmentation of products and components to be sourced as well as potential suppliers in the market has become an important tool within strategic procurement. Category management is therefore an approach that many larger organizations have applied in their procurement organization. Category Managers develop strategies for their categories and coordinate procurement processes tightly with business units.

As mature procurement organizations are shifting their focus from unit price and savings towards understanding of value drivers, a mind-set of driving the ‘total business case’ for a project, business unit or entire company is necessary. The task of the Chief Procurement Officer (CPO) is coordinating categories, developing the overall procurement strategy as well as setting performance measures for the procurement organization as a whole. Implementation of digitalization tools as well as analysis of procurement data and processes is further a topic that requires the attention of the CPO.

Digitalization of procurement is closely connected to the organization and leadership of the procurement organization and therefore has a prominent role in the minor. But timely topics such as resilience and æ1sustainable supply chain management are touched upon. The more classical procurement themes ‘supplier collaboration’ and ‘supplier relationships’ are an obvious part of the minor as supplier relationships play an increasing role in the green transformation. From this follows that collaborative innovation becomes ever more important for companies to stay in the market. Suppliers’ competences and willingness to collaborate on finding innovative solutions to contemporary problems are essential.

Finally, developing the competencies of the procurement organization as well as its members is an important part of the minor in Strategic Procurement.

Today, relatively few companies have a mature procurement organization, and one of the reasons for this is lack of skilled procurement employees to drive the transformation. Hence, there is an increasing need for young candidates with the right academic qualifications to help transform the procurement discipline. To secure the continuing practice relevance of the minor of Strategic Procurement, we collaborate closely with a number of companies, the CBS Forum for Strategic Procurement. The companies are further invited to present their contemporary important

procurement issues in class. Interaction between theory and practice is the basis of the minor's learning philosophy.

Members of the CBS Forum for Strategic Procurement are (among others) NovoNordisk, Ørsted, Maersk, Vestas, Danske Bank, Widex, Nilfisk, Leo Pharma, Chr. Hansen, Coloplast and Lundbeck.

## Examinations

The minor consists of the examinations listed below. The learning objectives and the regulations of the individual examinations are prescribed in the online course catalogue. Direct links to the individual examinations are inserted in the table below.

| Exam name | Exam form | Gradingscale | Internal/external exam | ECTS |
|---|---|---|---|---|
| Global Sourcing Management | Home assignment - written product | 7-point grading scale | Internal exam | 7.5 |
| Performance Measurement in Procurement Organizations | Oral exam based on written product | 7-point grading scale | Internal exam | 7.5 |
| Procurement Value Creation | Oral exam based on written product | 7-point grading scale | External exam | 7.5 |

## Further information

*Minor Coordinator*

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*Study Board*

The minor in Strategic Procurement is offered by the Study Board for the Master of Science Programme in Economics and Business Administration.

*How to sign up*

If you want to sign up for the minor in Strategic Procurement, you have to select CCMVM1009U Minor in Strategic Procurement when you sign up for electives.You will then subsequently be signed up for all three courses. You do not have to select all three courses individually.