COURSE DESCRIPTION

Intense competition is a key driver that elevates supply contracts and their lifetime management to a strategic level. How well supply chain management professionals structure supply contracts and commercially manage supply transactions will continue to be an important part of how organizations improve, reduce costs, and maximize opportunities. The success of critical commercial transactions depends on flawless execution which in turn requires expert contracting and management skills. Billions of dollars are spent every year by corporations in procuring goods and services from their suppliers. Therefore, even small changes and improvements in how supplier contracts are managed can have substantial positive impacts on the bottom line. Supply chain and procurement professionals need to be well versed in the subtleties of how to optimally manage supply contracts and their associated commercial challenges. This course provides supply chain management professionals with skills, strategies and techniques to avoid the pitfalls associated with poor contract management.

The course focuses on crucial real-world contract management considerations including:

- How sound contract management practices are an important part of being successful in an increasingly competitive global environment.
- How to assess, minimize and commercially manage supply contracts by early identification of contract management “red flags”.
- Practical steps for improving and standardizing contract management techniques in organizations.

The teaching approach and objectives will include strong emphasis on providing students with useful content, engaging them in discussions, soliciting and asking questions, and practical and real-world examples applicable to the techniques and strategies discussed.

LEARNING GOALS AND OBJECTIVES

This course is designed to help students develop practical skills and knowledge in supply contract management as described above in the Course Description and in greater detail below.

**Business Knowledge.** Students will have a command of the business aspects and practice in the field of contract management applicable to supply chain management professionals and will demonstrate:

1) Ability to manage contracts from “cradle to grave” with special emphasis on post-execution contract management strategy and techniques for insuring that both parties adhere to their respective responsibilities.

2) Ability to assert or respond to warranty, delay, requests for scope modification, additional compensation requests and other claims in the course of managing transactions.

3) Ability to handle special challenges associated with commercial transactions from a contract management standpoint.

**Global Perspective.** Students will learn how to function as leaders or participants in the contract management process and will demonstrate:
1) Ability to manage contracts involving commercial transactions for goods and/or services, blending
general legal principles and practical aspects, with special emphasis on the importance of sound
change management.
2) Ability to avoid pitfalls and apply lessons learned, thereby avoiding potential commercial
dysfunction and confusion which can be expensive in today’s competitive environment.
3) Ability to demonstrate a higher degree of commercial sophistication and comfort regarding supply
contracts and contract management.
4) Understanding how the relationships of the parties affect commercial transactions and the
importance of upholding the integrity of the process as well as understanding key considerations
and management tools and techniques.
5) Understanding how to manage a set of contract terms and conditions in a commercially
sophisticated manner.

**Persuasive and effective communication.** Students will have the opportunity to acquire effective and
persuasive communication skills in demonstrating their knowledge of supply contract management by:

1) Developing contract management skills and knowledge by attending class, participating in
discussions, and preparing a Contract Management Plan (CMP) as well as presenting that plan to
the class.
2) Participating in class and in making a presentation to the rest of the class in the final session,
highlighting their CMP, applying the principles and practices covered in class to the supply contract
provided on Blackboard.
3) Preparation and presentation of the CMP will be the primary exercise in communication.

**COURSE CONTENT AND MATERIALS**

The basic course content will be created from the textbook: *Build Your Playbook for Managing Supply
Chain Transactions, with Desktop Tools, References and Sample Forms*, (“Playbook”), First Edition by X.
Library of Congress Control No.: 2015904884. In addition, the course content will include additional
reading materials, including but not limited to case studies, assessment materials, desktop tools, references,
sample forms and instructions for the preparation of a supply contract management plan based upon a
sample contract document provided.

**ACADEMIC INTEGRITY**

*Rutgers does NOT tolerate cheating.* Students are responsible for understanding the RU Academic Integrity
this Policy and pursue all violations.

**COURSE SESSIONS**

Each session will consist of several components including learning objectives, assigned reading, exercises
or activities, links for further study and the like. The following is a preliminary list of possible sessions and
components:

**Session 1:** Introduction to managing supply chain transactions  
**Session 2:** Utilizing a Playbook Methodology in support of supply chain transactions  
**Session 3:** Steps 1-25 for Utilization of a Playbook Methodology in support of supply chain transactions  
**Session 4:** Steps 25-49 for Utilization of a Playbook Methodology in support of supply chain transactions  
**Session 5:** Developing the Scope of Work/ Scope of Supply (“SOW/SOS”)  
**Session 6:** Performing stakeholder mapping/ scheduling and obtaining fiscal authorizations  
**Session 7:** Defining commercial strategy and “cultural” landscape
Session 8: Selecting and finalizing bidders and cycle time tracking
Session 9: Pricing tax and commercial considerations
Session 10: Business considerations regarding strategic alliances
Session 11: Business considerations regarding outsourcing transactions
Session 12: True/False skills assessment exercise
Session 13: Case studies review and exercise involving real world cases
Session 14: Final exam consisting of the preparation and presentation of a contract management plan

OTHER CONSIDERATIONS

One of the advantages of this course is that students will be provided with both a sample model of supply contracts as well as an extensive list of tools and sample forms. Probably the most useful tool included in this course will be instructions for developing an appropriate Scope of Work or Scope of Supply. Scopes are crucial to sound bidding, pricing, and contract management given that the scope is that part of a contract that defines what the person or entity (contractor, supplier or consultant) is to provide, perform or otherwise accomplish. Scopes form the basis for pricing and help avoid, minimize, and manage claims, changes or delays. It is a common mistake to allow bidders to prepare the scope of work. By use of a thirty-point checklist, purchasers can develop their own appropriate scopes that protect their interests and achieve the intended objectives. Students will understand the importance of what to include, or not include in scopes and how best to incorporate appropriate documents by reference. A template scope of work with an accompanying checklist will be provided and discussed along with how to capture past lessons learned so that mistakes are not repeated.

Contract management can be facilitated by using forms. The sample forms provided in this course will include not only scope templates but also templates pertaining to bidder lists, confidential information, pricing adjustments, commercial management, letters of credit, payment and performance, sample letters to deal with claims for extras, delays or warranty issues. Other checklists provided include proposal evaluation, kick-off and close-out meetings. Finally, extensive attention will be paid to developing and designing a robust change management process, given that changes are inevitable, but must be prudently managed.