Diploma Programme
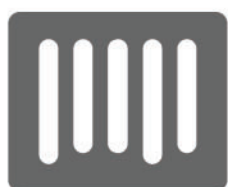
HK MA

Advancing Management Excellence

Professional Diploma in Purchasing and Merchandising Management

CEF subsidy ceiling
$20,000

THE PROGRAMME

INTRODUCTION

Purchasing and merchandising works with aspects of the supply chain environment, including enterprise resource planning and requirement systems. The interrelationships involve purchasing, vendor selection, sources of supply, logistics and technology in the supply chain. This programme is to focus on the professional skills required in purchasing and merchandising operations, equip participants with management knowledge and conceptual understanding that a successful manager needs to advance their career.

DESIGNED FOR

- Purchasing officers, buyers, merchandisers, assistant merchandisers
- Up-and-coming, newly promoted purchasing supervisors or merchandising managers
- Officers and executives engaged in trading, manufacture, procurement, shipping, inventory, sales, order processing and I/E documentations
- Junior to middle-level merchandisers or individuals who want to start their career in the purchasing, merchandising and supply chain managment

STRUCTURE

The programme comprises seven modules, each module consists of 10 sessions with a total of 30 contact hours, except for the Management Report. The diploma programme is to be completed in one year.

PROGRAMME STRUCTURE

There are 3 terms. A professional diploma will be awarded upon successful completion of the programme.

PU1	PU2	PU3
Purchasing and Merchandising Essentials	Purchasing Policies and Systems	Budget and Cost Management

PU4	PU5	PU6	*PU7
Information Technology and Purchasing	Logistics Management	Law of Buying and Selling of Goods	Management Report

* A report on selected purchasing/merchandising aspect by individual participants, guided by a Report Supervisor.

ADMISSION REQUIREMENTS

Applicants should fulfil the following requirements:
1. be secondary school graduates;
2. possess 2 or more years of working experience;
3. have a reasonable command of written English

LANGUAGE MEDIUM

Cantonese (supplemented with English)
Course materials, assessments and examinations will be in English.

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YOUR ADVANCEMENT PATH

PDPU graduates are eligible to apply for the following programmes:

Master's Degrees

- **MBA** Reg. 210545 **(15 months)**
  Graduate Diploma of Management Reg. 211318 **(15 months)**
  Macquarie University Graduate School of Management, Sydney

- **MBA(International Business)** Reg. 252208 **(18 months)**
  University of Greenwich, UK

- **MBA** Reg. 252455 **(18 months) (Chinese / English class)**
  Glyndŵr University, UK

Bachelor Degrees

- **BA(Hons) Business Studies (Logistics / Business Studies)** Reg. 252020 **(1 year)**
  University of Greenwich, UK

- **BA(Hons) (International Business)** Reg. 251922 **(1 year)**
  University of Huddersfield, UK

- **BA(Hons) (Business / Account and Finance) (3 years) (Chinese / English)** Reg. 252613 / 252612
  Glyndŵr University, UK

Admission is on a competitive and individual basis entirely at the discretion of the respective universities. Admission criteria and procedures are set by them and are subject to change without prior notice. The Association does not give any warranty and will not accept any liability regarding the above.

It is a matter of discretion for individual employers to recognize any qualification to which these courses may lead.

*The above **academic advancement path** is subject to changes from time to time. Please visit the HKMA website at www.hkma.org.hk/pd/pdpu to get the current information.*

FEE (each module) - payable by 4 instalments

Each module: HK$2,980
Application Fee: HK$ 200

CONCESSION FOR SENIOR CITIZENS

To provide a lifelong learning incentive for senior citizens, a 20% discount off the regular fee of this programme is now offered for senior participants aged 60 or above.

Applicants are required to provide documentary evidence during enrolment as proof of their eligibility.

EXEMPTION

Applicants can apply for exemptions for up to 2 modules of the programme. For details, please contact the Customer Service Department on 2774-8500. The application form for exemption can be downloaded from our website (www.hkma.org.hk).

REIMBURSABLE BY CONTINUING EDUCATION FUND (CEF)

Name of Institution: HKMA   CEF Institution Code: 300   CEF Course Code: 25F00491-1

CEF Course Title: Professional Diploma in Purchasing and Merchandising Management

This Programme (all 7 modules) has been included to be reimbursable under the CEF. Participants MUST submit their applications directly to the Office of the CEF before the commencement of the programme. For details, please visit the website: http://www.info.gov.hk/sfaa/cef or contact the CEF enquiry hotline: 3142 2277.

The Office of the Continuing Education Fund does not have record of registration of this course under the Qualifications Framework.

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PU1. Purchasing and Merchandising Essentials

Aims

This module provides participants with an overview and clear understanding of the key principles, concepts and techniques in purchasing and merchandising management.

Contents

1. Objectives of Purchasing and Merchandising
   - Right Quality, Quantity, Time, Price, Source, Service

2. Interdepartmental Relations with:
   - Marketing, Operations, QA, Engineering, Inventory, Finance

3. The Purchasing & Merchandising Processes

4. Similarities/Differences between Purchasing and Merchandising

5. Purchasing Directions
   Strategic Planning
   - Pro-Active Purchasing
   - Global Sourcing
   - Sourcing in China

6. Buying Ethics

7. Purchasing Research
   - Value Analysis
   - Benchmarking

8. Cost & Legal Considerations

9. Computer-assisted Decision-making and Performance Evaluation

10. e-Procurement

11. Supply & Demand Analysis

12. Developing Purchasing Office in China

PU2. Purchasing Policies and Systems

Aims

This module demonstrates the systematic and organizational aspects in the process of purchasing/merchandising. It illustrates to participants the importance of setting policies, elaborates on it and cascades down to operational levels using company-wide manuals, procedures, systems and forms.

Contents

1. Purchasing Policies, Procedures and Systems
   - Interface/supports to other departments

2. The flow of Internal Purchasing/Merchandising System
   - Policies
   - Manuals
   - Systems
   - Procedures
   - Forms
   - Approvals

3. Purchasing Organization
   - Responsibility, Authority and Accountability
   - Corporate vs Decentralized Purchasing

4. Supply Chain Management (SCM)
   - Rapid Feedback System from Users
   - Bar Code Technology

5. Procedures in Selecting Suppliers
   - Request for Quotation and Samples
   - Evaluating Supplier Capabilities & Ethics
   - Selection Criteria
   - Proposal Evaluation
   - Single Sourcing vs Multiple Sourcing
   - Making the Award
   - Managing the Contract
   - Contract Closure
   - Supplier Relationship Management
   - Green Purchasing Policies

6. Systems for Local and Global Sourcing
   - Identifying Sources
   - Total Costs of Offshore Purchasing
   - Variety and Effectiveness Evaluation
   - Order Processing
   - Methods of Payment / Banking Documents
   - Payment Terms / Shipping Documents
   - Customs Clearance / I/E Documents
   - Managing Shipment

7. Evaluating Performance
   - What should be Measured
   - Evaluation of:
     - Order Lead Time
     - Material Flow Control
     - Procurement Planning
     - Supplier Performance
     - Supplier Partnership
     - Quality Assurance

8. Buying Strategies
   - Forward Buying
   - Hand-to-Mouth Buying
   - Minimizing Small Orders
   - Hedging
   - Annual or Multiyear Buying Plans

9. Systems for Fraud Prevention

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PU3. Budget and Cost Management

Aims

This module explains to participants the various pricing factors and methods. Once the purchasing/merchandising budget is decided, various skills, including financial, quantitative methods and negotiation skills all help in managing the budget. Corrective actions are stressed in case deviations and variances appear.

Contents

1. The Price - Determining Factors
   - Supplier's Cost
   - Competition
   - Variable Margin Pricing
   - Product Differentiation

2. Other Price Determinants
   - Quantity/Quality
   - Transportation/Packaging
   - Just-in-Time (JIT) Operations
   - Payment Terms
   - Potential Obsolescence
   - Service/Technical Support

3. Deciding the Budget
   - Cost-Volume-Profit Analysis
   - The Fixed Budget
   - Variable Budget

4. Cost Management
   - Understanding Fixed & Variable Costs
   - Cash Flow Analysis
   - Cost Elements in
     - Piece Meal Purchasing
     - EOQ Purchases
     - Bulk Purchases
   - Budget, Actual and Variances
   - Corrective Actions

5. Negotiation Skills
   - Understanding your Needs
   - Understanding their Needs
   - Win/Lose Negotiation
   - Win/Win Negotiation
   - China's Negotiation Style
   - Negotiating with China Partners

PU4. Information Technology and Purchasing

Aims

This module illustrates to participants the capability of computers and information technology in assisting purchasing/merchandising personnel. It explains the whole process of planning and developing the computerized systems. Implementation steps are elaborated in full. The trend of using EDI and Internet in purchasing/merchandising functions is also stressed.

Contents

1. The Trend
   - Electronic Data Interchange (EDI)
   - e-Tendering, e-Cataloguing, e-Payment

2. Types of Computerized Systems
   - Purchasing Databases
   - Management Reporting Systems
   - Purchasing Application Systems
   - Decision Support Systems
   - Distributed Processing Systems

3. Steps in Developing a Computerized System

4. Components of a Computerized System

5. Cost Savings due to Computerization

6. Implementation Issues of Computerization

7. Merchandise Data Exchange through Internet

8. Purchasing/Merchandising through the Internet

PU5. Logistics Management

Aims

This module examines in-depth the costs and tradeoffs in logistics level and customer satisfaction. It includes the discussion of various logistics systems - materials management, warehousing, channel and network distribution, transport, order processing and administrative supports. It finally discusses the logistics of disposal of scrap, surplus, obsolete and hazardous materials.

Contents

1. Materials Management
   - Purchasing Forecast - MRP
   - Inventory Management
   - Store Management
   - Stock Checking and Stocktaking
   - Safety Stock Level & Reorder Point
   - Assembling, Packing & Issuing

2. Channel and Network Logistics
   - Distribution Channel Logistics
   - Distribution Network Logistics
   - Transport System & Routing
   - Administrative Supports

3. Logistics & Customer Service
   - Quality Assurance of Logistics
   - Performance evaluation
   - Cost evaluation
   - Customer Satisfaction

4. Logistics in Management of Scrap & Surplus

5. Disposition of Scrap, Obsolete & Hazardous Materials

6. Logistics in China
   - Infrastructure - Port, Rail, Road
   - Customs
   - Advantage of Free Trade Area
   - Purchasing/Merchandising Logistics between Hong Kong and China

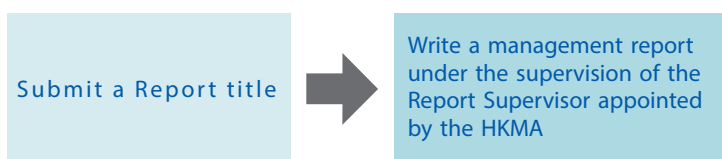Register Now

PU6. Law of Buying and Selling of Goods

Aims

This module illustrates the legal aspects involved as a purchasing/merchandising personnel. The essence of forming a legal binding contract, the proper acts, rights and liabilities of a purchasing/merchandising agent are explained. Legal ownership and discharge of different types of existing and future goods are related to participants' day-to-day job.

Contents

1. Introduction and Comparison of HK and PRC Legal Systems
   - HK and PRC Legal Systems
   - Practical Issues between HK and PRC Laws

2. Law of Contract
   - Capacity
   - Express Terms & Implied Terms
   - Specialty & Simple Contracts
   - Misrepresentation
   - Conditions and Warranties
   - Discharging & Enforcing Contracts
   - Liquidated & Agreed Damages

3. Law of Agency
   - Basic Rules of Agency
   - Duties of the Agent
   - Duties of the Principal
   - Ratification of the Contract of Agency
   - Liability of Agent and Third Party
   - Termination of the Contract of Agency

4. Purchase and Sales of Goods
   - Legal Ownership
   - Sale and Agreement to Sell
   - Existing and Future Goods
   - Specific and Unascertained Goods
   - Problems relating to Title
   - Unconditional Appropriation
   - Discharge by Mistake or Frustration
   - Buyer and Seller Protection
   - Insurance
   - Rights & Duties of Carriers
   - Claims against carriers for loss, damage & delay

PU7. Management Report

Submit a Report title	→	Write a management report under the supervision of the Report Supervisor appointed by the HKMA

Writing the Report enables students to demonstrate their knowledge and skills in various purchasing and merchandising management areas while handling subject-related problems. They may write the report based on real life situations or ideal systematic plans to be implemented after studying the six modules, relevant to the participant's career.

Course contents of all modules may be subject to change without prior notice.

COMPLETION OF A MODULE AND AWARD OF DIPLOMA

Satisfactory Completion of a Module

A minimum of 70% attendance is required for satisfactory completion of a module. Failure to do so will disqualify the student from sitting for the final written examination. Students must obtain an aggregate of 50% at least in the mid-term assessment and the final examination. For the management report, the student is required to achieve a pass grade in the report.

Completion of the Professional Diploma in Purchasing and Merchandising Management Programme

Completion of the PDPU Programme requires a student after initial registration to pass the continuous assessments and final written examinations of all seven modules in three consecutive terms. A candidate who has satisfied all the requirements will be awarded the Professional Diploma in Purchasing and Merchandising Management.

Unsatisfactory Performance in a Module

On failing any one module at the first attempt, the student may sit once only for the remedial examination in the following term by paying a fee. Participants who fail the remedial examination are allowed to retake the module by paying full module fees. However, participants need to complete the whole programme in a maximum duration of 2 years.

ENQUIRIES

For enquiries, please call 2774-8501/500 (Customer Service Department) during office hours. For course details, please contact Ms Lillian Fok on 2774 8544 or Mr Ronnie Chan on 2774 8526.

Fax: 2365-1000   Website: www.hkma.org.hk/pd/pdpu

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