Buylines

ISM—ST. LOUIS, INC.

JUNE—JULY 2010

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Don't Forget !

PLEASE JOIN US FOR THE SEPTEMBER GENERAL MEETING AT SPAZIO'S

REGISTRATION BEGINS AT 5:30 p.m. AND THE PROGRAM COMMENCES AT 6:30 p.m.

President's Message

YOUR TIME GIVEN TO US

Is recognized, appreciated, valued, and regarded with high value by those serving you as Officers and Directors. We understand that you have a choice to attend Affiliate functions and it shows by your continued participation.

I have stated verbally before that ISM-St. Louis excels in comparison to many other affiliates with its ratio of membership to meeting attendance. We have consistently averaged approximately 24% attendance each meeting. While that may seem low, it isn't.

As we close for the summer, your Board of Directors will plan to continue to find and present relative and timely topics given by qualified and knowledgeable speakers; develop and provide learning opportunities while being sensitive to economic and time considerations; be accessible to offer networking and one-on-one encounters.

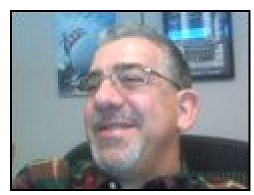
Traditionally I always end my thoughts every month with this: We ENCOURAGE you to attend upcoming events; we WELCOME your ideas and suggestions to make us a more meaningful organization; we NEED your active participation in any capacity, particularly on a committee or even joining the Board. So….

We are honored and pleased that Max Merz, Andy Singer, Tom Blair, and Rhonda Shurtleff did: Max is our new Director of Finance, Andy our new Director of Education, Tom a new member of our Membership Committee, and Rhonda a new member of our Marketing Committee.

Thank you.

Marty Rutkovitz

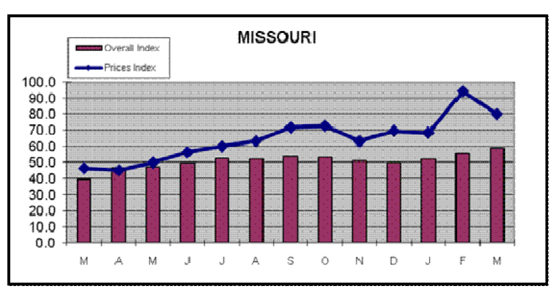
President



Economic Outlook—Missouri

By Ernest Goss, Ph D.

Source: http://www.creighton.edu/business/economicoutlook/regional/midamericanstates/missouri/index.php



For the 11th straight month, Missouri's Business Conditions Index climbed above growth neutral. The index from a survey of supply managers increased to 59.9 from 58.4 in April. Components of the overall index from the May survey were new orders at 64.1, production, or sales, at 65.8, delivery lead time at 57.9, inventories at 59.0, and employment at 52.5. "Missouri's economy has begun adding jobs. Since the beginning of the recession, Missouri has lost almost 127,000 jobs. Based on the latest job state job data and Missouri's recovery from the 2001 recession, I not expect the state to fully restore these jobs until October 2013, " said Goss

SUMMER READING

By Patrick Willamson C.P.M.

""The kind of commitment I find among the best performers across virtually every field is a single-minded passion for what they do, an unwavering desire for excellence in the way they think and the way they work. Genuine confidence is what launches you out of bed in the morning, and through your day with a spring in your step."

\- Jim Collins-

This summer expand your knowledge by reading a few good business books! Two such books are:

Talent Is Never Enough
By John C. Maxwell
Thomas Nelson, 2007
"It stresses the importance of mindset, character, values, preparation, perseverance, passion, and qualities other than just talent as determinants of achievement and successful leadership."

The Lords of Strategy
By Walter Kiechel III
Harvard Business School Press, 2010
"Exposure to the integrative power of strategic frameworks can be invaluable for individuals embarking on an educational and learning process focused on management. This book provides an insightful look into the historical development of strategy as a management tool and some of the 'sowers' of its seeds [who] have found fertile ground among management practitioners."

A good business book makes me think. Just like the body needs exercise, the brain needs exercise too. Reading a good business book or two per month is like taking your mind to a gym. Many motivational books abound and reading can renew your spirits and perhaps even give you some insightful ideas for the workplace. So while you're enjoying the summer and all it brings take time to feed your mind with a good business book and rejuvenate yourself.

Gain knowledge, confidence, respect, and increased potential for promotion when you earn professional designation of Certified Professional in Supply Management (CPSM).

Term of the Day...

Today's ISM Term of the Day is….. LETTER OF CREDIT (LC)

Definition: A document that assures the seller that payment will be made by the bank issuing the letter of credit upon fulfillment of the terms of the sales agreement.

A different Term of the Day is posted on the ISM Home Page (www.ism.ws) each day—seven days a week. The Term of the Day is taken from the ISM Glossary of Key Supply Management Terms.

ISM members can access the online *Members Only Glossary* which includes terms from the private, public, and various industry sectors, and from a wide variety of sources. The *Glossary* can be browsed alphabetically, or searched by keyword.

Current Career Bank Postings

Position	Industry	Location	Posted by
Director - IT Procurement Sourcing	**Pharmacy Benefit Management**	**St. Louis, MO**	**Express Scripts**

For details on the above postings, go to www.ismstlouis.org!

To post opportunities onto the ISM-St. Louis website, please complete the Career Bank Form and submit to: jobpostings@ismstlouis.org

Note: If your firm is currently seeking Supply Management professionals, please encourage the use of ISM-St. Louis' Career Bank! It's a FREE service and can target approximately 300 Supply Management professionals in the immediate area!

MID-AMERICA LEADING INDICATOR RISES TO FOUR YEAR HIGH: EUROPEAN TURMOIL FAILS TO SLOW

INTERVIEW WITH DR. ERNIE GOSS—SUMMARY OF MAY 2010 RESULTS
HTTP://WWW.CREIGHTON.EDU/BUSINESS/ECONOMICOUTLOOK/REGIONAL/MID-AMERICANSTATES/INDEX.PHP

Survey results at a glance:

- Leading economic indicator climbs to highest level in almost four years.
- Largest job gains since June 2006.
- Almost 21 percent of respondents reported negative impacts from Europe's economic turmoil.
- Over 72 percent of purchasers expect any new cap and trade law to increase prices.

Purchasers report very healthy export orders and imports for the month.

For Immediate Release: June 1, 2010

OMAHA, Neb. – The May Business Conditions Index for the Mid-America region advanced for a sixth straight month, pointing to a growing economy in the months ahead, according to the May Business Conditions survey of supply managers in the nine-state region.

The index expanded to 64.2 from April's very healthy 61.7. An index of 50.0 is considered growth neutral for the leading economic indicator. This was the sixth straight month that the index has risen above growth neutral, signaling a healthy economic recovery for the regional economy in the months ahead.

"The financial turmoil in Europe is a threat to the economic expansion underway. It has increased the value of the dollar, which has made U.S. manufactured goods and farm products less competitive abroad. The flight to the safety of U.S. Treasury bonds, if sustained, will have significant and negative impacts on agriculture income and on economic prospects for industries with linkages to agriculture. This month we asked supply managers how the European economic problems are affecting their firms. Almost 21 percent of respondents reported negative impacts for their firm from Europe's turmoil. The remaining 79 percent indicated little or no impacts to date. In my judgment, more negative impacts will surface if the dollar continues to appreciate against the Euro," Creighton University Economics Professor Ernie Goss said today.

For a fifth straight month, the regional employment index rose above growth neutral. The May job reading climbed to 60.1 from April's 58.4 and March's 57.9. This was the highest employment reading recorded in almost four years. For May, 36.7 percent of supply managers reported job gains for their firms, while only 16.5 percent indicated that their firms reduced employment from April levels.

"Despite improved hiring, I expect unemployment rates for most states in the region to remain at elevated levels as firms remain overly cautious about hiring new workers. There is just too much economic uncertainty right now for firms to hire more aggressively. It is going to take many months before most states in the region recover jobs lost since the recession," said Goss, director of Creighton's Economic Forecasting Group and the Jack A. MacAllister Chair in Regional Economics.

Rebounding prices have accompanied the regional economic expansion. The prices-paid index, which tracks the cost of raw materials and supplies, moved above growth neutral for a 12th straight month to 80.4, but was down slightly from 81.2 in April.

"Even as government measures of inflation continue to indicate little inflationary pressures at retail and wholesale levels, supply managers in our survey report significant price bubbles for commodity prices. Record-low interest rates from the Federal Reserve, combined with record federal government deficit spending, are creating price bubbles in various commodities and will ultimately contribute to inflationary pressures at the consumer level – above the Fed's goal of 1.75 percent to 2 percent. Even though I think the Fed should begin raising rates at its June meetings, I see no rate change before the fourth quarter of 2010," said Goss.

This month supply managers were asked how a federal cap- and- trade law would affect the prices of products they purchase. Over 72 percent of the purchasers expect any new law to increase prices with the remaining 28 percent anticipating little or no impact on prices.

Looking ahead six months, economic optimism, captured by the May confidence index, dipped to a still strong 69.0 from April's 72.9. "The economic turmoil in Europe has failed to deter the outlook for the economy six months down the road," said Goss.

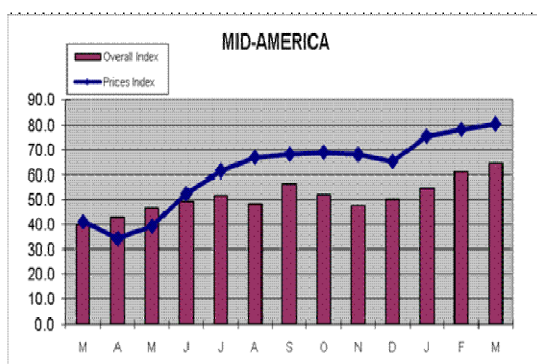
Despite a stronger dollar, an improving global economy continues to push exports higher. The May new export orders advanced to 59.0 from 57.0 in April. The improving regional economy has also contributed to strong imports with a May reading of 63.2, highest index in four years, and up from April's index of 59.8.

For a fourth consecutive month, supply managers in the nine-state region increased inventory levels. The May inventory index expanded to 54.6 from April's 53.2. "Renewed economic confidence among supply managers has been showing up in our inventory readings. Firms in the region with expectations of higher orders and sales are adding to their inventories of raw materials and supplies," said Goss.

Other components of the May Business Conditions Index were new orders at 72.4, up from April's 70.0; production or sales at 72.2, up from 65.8; and delivery lead time at 62.1, up from 61.4.

The Creighton Economic Forecasting Group has conducted the monthly survey of supply managers in nine states since 1994 to produce leading economic indicators of the Mid-America economy. States included in the survey are Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma and South Dakota.

The Creighton Economic Forecasting Group uses the same methodology as a national survey by the Institute for Supply Management, formerly the Purchasing Management Association, which has formally surveyed its membership since 1931 to gauge business conditions. The overall index, referred to as the Business Conditions Index, ranges between 0 and 100. An index greater than 50 indicates an expansionary economy over the



Supplier Relationship Management for Collaboration, Impact and Business Success

Constant improvement in lead-time, quality and overall supplier performance is imperative to remain competitive in today's tough global economy. That's why Supplier Relationship Management (SRM) has become increasingly critical. SRM provides an organizational focus on communicating and collaborating with suppliers on the many steps of the Supply Management process. This focus reduces the lead-time and total cost of acquisition, transportation and possession of goods and services for the benefit of both the buyer and seller. As a result, SRM provides a competitive advantage and improved profits. Earn 21 CEHs.

You will Learn:

- Increased skill sets in supply management
- The importance of SRM in continuous improvement
- Benefits of early supplier involvement
- The move to strategic sourcing
- Segmentation model for supplier base
- Total cost of ownership models
- Process for strategic alliances
- Key elements in improving the supplier relationship
- Best practices in supplier qualification, measurement and recognition
- The basics of reengineering

Register now for
Supplier Relationship Management for Collaboration, Impact and Business Success #4328
July 21-23, 2010 in Nashville , TN
Registration fee $1,595* members / $1,895* nonmembers

Please Note: The Doubletree Guest Suites at the Nashville Airport has been unaffected by the recent floods in Tennessee . Call the Doubletree at 615/889-8889 for detailed information.

* Save USD $200 when you register 30 days or more prior to the program start date (not applicable to One-Day programs). Payment must be received at the time of registration in order to qualify for the early bird discount.

For more information visit www.ism.ws or call ISM Customer Service at 800/888-6276 option 8.

Beware of the risks, and snap up the opportunities in 2010

By Paul Snell
Source: http://ifpsm-ezine.org/previous-issues/january-2010/beware-of-the-risk-and-snap-up-the-opportunities-in-2010/

Considering the past year of disruption and change in the global economy, you might forgive chief executives and managing directors if they were to ignore the predictions of "experts" and "analysts" – who failed miserably to forecast the current situation – and relied on a crystal ball or horoscopes to work out what the year ahead will bring.

But turning to the purchasing department might be a better idea, as establishing what might happen in the future – and how to turn that to the firm's advantage – is the increasingly the responsibility of the CPO. And how to do this - without resorting to the tarot cards and tea leaves - is of growing interest to the buying community.

But even though the discipline of risk management is increasingly important, there appears to be a worrying ignorance of the scale of the problem to tackle among the profession.

A study earlier this year by insurers Aon and consultancy State of Flux found 90 per cent of 100 firms surveyed believed they had inherent risks in their supply chains, but less than half considered dealing with them a priority. And a quarter of respondents had not heard of, or didn't understand, the concept of supply chain risk management (SCRM).

Predictably buyers find themselves torn in different directions by their senior leadership. At a meeting of senior procurement executives in Belgium in November, managing risk and maintaining supply continuity was the second highest priority – even if only just over a third had implemented a plan for risk mitigation.

The paradox is that the stated number one priority for purchasers is cutting costs, highlighted as one of the biggest threats to effective risk management. One academic recently described relationships between buyers and suppliers as "hanging in the balance" – a result of buyers not considering the "soil erosion" caused by regular cost cuts, alongside the potential for "tsunami events" such as forcing a vendor into insolvency.

This is borne out in a study conducted by the Economist Intelligence Unit and insurer ACE Group. Of 500 global companies surveyed, 47 per cent believed implemented cost-reduction programs had reduced the resilience of their supply chain.

"While such measures represent short-term gains on the balance sheet, businesses need to be aware of the potential impact of these activities and understand the additional long-term exposures that may come with these," says Phil Wall, senior account engineer at insurer ACE Group. "The failure of one supplier in a small chain or an incident in a large scale warehouse creates very real and major risk exposures that could significantly damage a company."

Not only is cost-cutting increasing supply chain risk, but these same programs are harming attempts to mitigate it. 41 per cent of the survey's respondents highlight increased costs and redundancies as the biggest obstacle to implementation.

And while pressure for better SCRM is coming from the top level – in 60 per cent of companies – many supply chain managers are unconvinced by the knowledge and level of understanding of the subject. Of those surveyed, 35 per cent claim their board do not understand supply chain risk and nearly half believe their firms underestimate the threat level.

"Supply chain risk management needs more board-level priority. Businesses cannot afford to underestimate the potential impact of these emerging risks," says Wall. "We are concerned that many businesses aren't considering supply-chain risk as strategically important and they aren't developing the expertise to deal with it."

Respondents to the survey cited movements in exchange rates as the biggest threat to supply chains in 2010, highlighted by 39 per cent. The danger of higher input prices and energy prices were prioritized by 34 per cent and 33 per cent respectively. And declining customer confidence was highlighted by a quarter of those surveyed.

Protectionism, supplier insolvency, pandemics, labor shortages, political and social unrest, piracy and theft were also mentioned – but these are only the "predictable" risks. It is perhaps those that come out of the blue and where there is no suitable risk mitigation strategy that should be the greatest cause for concern.

Half of firms are improving their collaboration with suppliers and partners to boost resilience, 38 per cent are diversifying their supply base, moving from single to multiple suppliers and 37 per cent are trying to streamline their processes and improving data accuracy. Supply chain mapping, risk audits of vendors, "risk registers" and better demand forecasting are also being deployed. But there is nothing to say one strategy is better than another – 16 per cent of firms are centralizing distribution, whereas 13 per cent are decentralizing it. Companies have to find the most appropriate strategy for their own firm.

"While there is room for improvement in certain areas, this survey shows that many firms are taking supply chain risk seriously. Certainly those that remain complacent do so at their peril," said the study.

There are regional differences in priority too. Supply chains in Asia have been more heavily disrupted than those in North America and Europe. Those in North America have suffered greater political instability than their Asian and European counterparts. But North Americans are more positive about the future than those in other regions.

But alongside increased risk comes increased opportunity. Have you ever thought of sourcing from Ukraine, Peru, Mozambique, Indonesia or Iran? According to the 2010 Risk Map produced by consultancy Control Risks, these countries offer "considerable value", with impressive natural and social resources, which if governance improves, could bring them "out of the shadows".

"Some of the high-risk, high potential return countries may seem controversial. For some businesses these countries should be ones to watch very closely over the coming years, as positive political developments could lead them to become very interesting investment opportunities," says Michael Denison, research director at Control Risks.

Tackling the Procurement of Complex Services - 5 Tips for Breaking Through Barriers

Date: Thursday, June 24, 2010
Time: 1:00 p.m. EDT / 10:00 a.m. PDT

Don't miss this Free, 1-hour STREAMING ONLY Web event hosted by ISM and sponsored by Emptoris.
http://www.mmsend2.com/ls.cfm?r=233759608&sid=9656096&m=1020249&u=ISM_&s=http://

As organizations outsource more and more services such as IT, contingent labor, facilities management, business consulting and marketing, these complex categories have become increasingly attractive targets for improving the bottom line. Services are traditionally more difficult to manage than goods – they are fundamentally complex, purchased across the enterprise, and in some cases, regarded as sacred cows that shouldn't be centrally controlled. Transformative leaders are employing innovative technologies to break through the many barriers associated with procuring complex services. By implementing an integrated platform—from spend analysis, strategic sourcing and contract management to services procurement and supplier risk, today's leading enterprises are gaining strategic value and sustainable savings from services categories.

Join Forrester and industry practitioners for a 1-hour interactive panel discussion to learn how:

- End-to-end strategic supply management can deliver hard-cost savings and provide the visibility, control and automation of the services supply chain
- Spend analysis can help you identify the size of the prize across all types of services spend
- To source high profile services that can reduce costs
- Contract management can help structure strong contracts with service providers
- To realize sourced and negotiated savings

Moderator / Presenter:
Patrick Connaughton
Senior Analyst

Featured Speakers:
Jim Holbel
Subject Matter Expert for Services Procurement
Emptoris
Preview - Industry Expert Jim Holbel on Tackling Services Procurement
http://www.emptoris.com/video/jholbel_svp01.html

Sean Correll
Director, Consulting Services
Emptoris
Attendance of the live session of this Web Seminar qualifies for one CEH credit at ISM.
ISM Web Seminar Participation Details and Instruction
800/888-6276 or 480/752-6276, ext. 3121
For more information, visit www.ism.ws.

"To promote the study, development and application of procurement methods and practices."

Enhance your career and job performance when you enroll, at substantial member savings, in ISM St. Louis's seminars, briefings, conferences and symposiums.

Upcoming Seminars

Below is the list of ISM seminars for the months of July and August 2010. For seminar details, please call the ISM Customer Service Department at 800/888-6276 or +1 480/752-6276, option 8, or visit the ISM Web site at www.ism.ws and select Education — Seminars, Conferences, then Seminars and then Public Seminars.

July 2010	Dates	Location
Advanced Negotiation Strategies: Advanced Concepts and Techniques for Optimizing Value Through Negotiations #4446	July 12-14, 2010	Chicago, IL
Legal Aspects of Supply Management: The Basics You Need to Succeed #4387	July 19-21, 2010	Cincinnati, OH
Supplier Relationship Management for Collaboration, Impact and Business Success #4328	July 21-23, 2010	Nashville, TN
Strategic Services Procurement: Applying Strategic Sourcing Principles to the Procurement of Services #4456	July 26-27, 2010	Philadelphia, PA
Contracting for Purchasing and Supply Management: Beyond the Basics #4426	July 29-30, 2010	Minneapolis, MN

August 2010

Fundamentals of Purchasing: The Building Blocks of World-Class Professionalism - # 4523	August 2 – 4, 2010	Minneapolis, MN
Integrating Purchasing, Logistics and Inventory with Suppliers – #4261	August 4-6, 2010	Las Vegas, NV
Capital Equipment Purchasing: Big Risk, Big Dollars, and Big Results – #4482	August 9-10, 2010	Nashville, TN
Contracting Basics: What All the Ts and Cs Mean - #4492	August 12-13, 2010	San Diego, CA
Power Negotiations: Unlock Your Powers of Influence and Persuasion - #4571	August 16-18, 2010	Chicago, IL
Resisting Price Increases and Implementing Cost Improvement Initiatives: How to Make a Major Impact into Today's Volatile Marketplace - #4273	August 23-24, 2010	Minneapolis, MN

ISM-St. Louis Members

Academic: 4
Regular: 211
Associate: 9
Student: 6
Dues Free: 4
Life: 18
Volume: 11
TOTAL: 271

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Phone: 314-646-7442
Fax: 314-646-7442

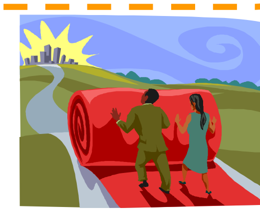
Are you Linked In?

Watch for your invite to join the ISM-St. Louis LinkedIn group.

ISM-St. Louis has a LinkedIn group and we'd like to use this more proactively for regular updates, discussions, postings, etc. In order to make this successful, we're going to be sending each current member an invitation to join this group.

For those that are not current users of LinkedIn (and those who need a refresher) . . . LinkedIn is free to use and contains a network of more than 40 million registered users in 200 countries, representing 170 industries. Executives from all Fortune 500 companies are LinkedIn members. LinkedIn is considered by many, as the online standard for professional networking.

Welcome New ISM-St. Louis Members



New Regular Members:

Rhonda Shurtleff
Kasco Corporation

Pamela Boger
Olin Corporation

David Belfield
LMI Aerospace

Andrew Barton
Arch Coal, Inc.

Kim Reed
Ralcorp Holdings Inc.

Kent Young
MasterCard Worldwide

Alina Young
Magellan Health Services

Kevon Hall
Sigma-Aldrich

Tawnya Musial
Sigma-Aldrich

Amy Fitzgerald
Sun Chemical Corporation

Michael P. Steinke, C.P.M.
ThyssenKrupp Crankshaft Co.

New Student Member:

Kendrick D. Ransom

Were on the Web !
www.ismstlouis.org

Buylines layout design: Rhonda Shurtleff