



# BUYLINES

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## President's Message : NEXT LEVEL

At ISM St Louis, we're taking our capabilities beyond our current boundaries. We're going deeper into relationships. Expanding our reach across the supply management landscape. And contributing more completely to member experiences and outcomes.

This upcoming year we have many programs, seminars, dinner meetings scheduled that will hopefully expand your reach and landscape and prepare you to perform at the next level.

Here is a snapshot of what is forthcoming this year.

September 27: Speaker:  
Brian D. Rogers

Topic: "Navigating land mines" that crop up when you do business electronically - The effects of email and instant messaging on contracting practices.

October 25: Speaker:  
Pat Woods

Topic: Supplier Relations  
" So Your Supplier Gets Bought Out! What Next?"

This presentation will focus on both how to deal with a current supplier buyout as well as be prepared for future buyouts. Key points covered will include a proactive approach to the buyout including a contingency plan as well as costs/benefits of safety inventory for potential risk suppliers.

### Seminars:

CPSM: Preparation Classes  
Oct 27&28th, 2011

November 29: Speaker:  
Susan Vollmer  
(lunch meeting)

Topic: "Pirates And Other Cultural Issues"

This presentation has an international flair - Let your imagination run wild!

Hope to see you there!

Rebecca D. Klutho, C.P.M.  
President, ISM St. Louis

## Congratulations !!!!



Alina Young completed the CPSM certification in August 2011

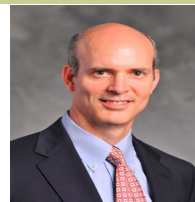
## Electronic Contracting 101: Watch Out for the Land Mines

Brian Rogers is a corporate attorney and partner at Evans & Dixon in St. Louis, and he is licensed in Missouri and Illinois.

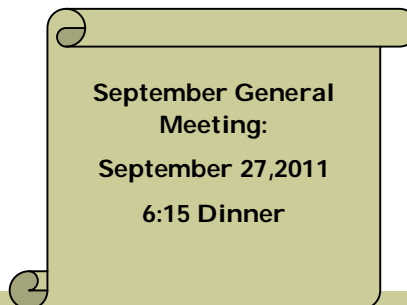
Brian's areas of practice include business start-ups, the acquisition and disposition of business assets,

and other areas of business law. He also reviews, drafts, and negotiates commercial contracts, such as supply contracts, distribution agreements, professional services agreements, and software licenses.

Brian is also the author of *theContractsGuy* blog which discusses business and legal aspects of contracts and the process of contracting.



BRIAN ROGERS



September General Meeting:

September 27, 2011

6:15 Dinner

## CPSM® UPDATE 3 Questions: 3 Answers

Reprinted from the ISM eSide

Question #1: Which of the following is LEAST appropriate as an objective for negotiations?

- (A) Meeting the minimum essential needs of the organization
- (B) Maintaining control over contract performance
- (C) Determining the negotiation site
- (D) Ensuring the correct ratio of contract administrators to workers

**Answer #1: Option D** is correct because the other three options are considered important elements in negotiation planning, whatever product or service is being negotiated. Meeting minimum essential needs of performance expectations (Option B) begins with negotiation planning, continues with actual negotiations, and is confirmed in the resulting contract. The negotiating team should consider advantages of various sites (Option C). Meetings conducted at the buying organization provide supply managers support via staff, data and familiar surroundings. In some situations, using the supplier's location may offer supply management the advantage of being able to walk away. Whatever the site, security must receive careful attention.

**References:** CPSM® *Study Guide*, 1st Edition (Book 1 — *Foundation of Supply Management*), pages 16-18; *ISM Professional Series* (Book 1 — *Foundation of Supply Management*), pages 151-153; *The Supply Management Handbook* (7th Edition), pages 498-499.

Question #2: Of the following, which is the BEST measure of the rate of inflation?

- (A) Year-to-year change in the consumer price index
- (B) Year-to-year variation in annual rate of return
- (C) Period-to-period change in interest rates
- (D) Period-to-period valuation of tangible assets

**Answer #2: Option A** is correct. The Consumer Price Index (CPI) is the collective price for a group of items that typical people purchase and the change in that collective price over the time period measured. Since inflation is reflected by higher prices and a lower value of the dollar, it can BEST be measured by the rate of change in the prices of this collection of typically purchased items. Option B is not correct because the annual rate of return is a measure applied to investments, not to the value of the dollar. Option C is not correct. While interest rates may track with inflation, they may not, and are not the best measure. Option D is not correct because valuation of tangible assets is secondary to initial purchase prices, and not a good measure of inflation.

**References:** CPSM® *Study Guide*, 1st Edition (Book 2 — *Effective Supply Management*), page 14, 5; *ISM Professional Series* (Book 2 — *Effective Supply Management Performance*), pages 111-114.

Question #3: A computer software development company offers to sell a set of programs for \$199. Technical support and maintenance are priced at \$399 per year. This type of pricing strategy is BEST known as

- (A) buy-in
- (B) cost plus
- (C) market-demand
- (D) skimming market share

**Answer #3: Option A** is correct because "buy-in" pricing means the seller offers a low price on the initial purchase, with expectation of making a profit on subsequent work such as maintenance or upkeep. In cost plus pricing (Option B) the seller sets a price to cover variable production costs plus a contribution to fixed costs and a markup. Market-demand (or market-based) pricing (Option C) involves a seller basing price on demand, hoping to gain a certain portion of the market. Market-skimming (Option D) is another name for this technique.

**References:** CPSM® *Study Guide*, 1st Edition (Book 3 — *Leadership in Supply Management*), page 19; *ISM Professional Series* (Book 3 — *Leadership in Supply Management*), pages 179-180; *The Supply Management Handbook* (7th Edition), pages 448-449.



# Sustainability

Written by: Frank Röttgers



"Sustainability" is on everyone's lips these days. Nonetheless, in today's world of business, where no budget is approved without a compelling business case, sustainability must be measured in terms of profitability. According to recent polls, the implementation of a sustainability strategy has become a top priority of CEO's. However, it will only stay there if those responsible can ensure that the sustainability strategy is also profitable. It is only in this way that various objectives falling within the concept of sustainability can be reached successfully.

<http://www.going-green-together.com>

If you want to know how to turn your ideas and requirements with regard to sustainability strategies into a success, you should take a closer look at this newsletter.

Sustainability has quite different meanings depending on the industry focus. Sustainable aspiration does not only cover ecological aspects, but also social ones. Ecological concerns include climate change (CO2 footprint), deforestation / desertification, freshwater shortages and loss of biodiversity. Social sustainability includes for example global population pressure / migration and poverty. Many other examples could be listed. No matter the aspect your company focuses on, the strategy behind it will only be implemented if its profitability is proven. It is only by building the business case for the sustainability strategy that this value will stay on the CEO's priority list. While in recent years companies were primarily focusing on reporting and benchmarking ecological impacts, today the trend goes to putting theoretical sustainability strategies into practice and to implement new management systems.

How these supposed soft benefits, such as sustainability, are considered in a business case and quantified in monetary terms, was the focus of my first book: "The Definitive Guide to Getting your Budget Approved" (<http://www.solutionmatrix.com/getting-your-budget-approved.html>). Qualitative values, such as sustainability or image, however, are not only accounted as an ethical extra. They can, in fact, implicate hard economic benefits. The benefits of your sustainability strategy can be calculated in Euros and Cents. To make sure that your sustainability strategy will be successful, such a business case should be created regardless.

Nonetheless, it is a long way from developing a sustainability strategy until reaching short- and long-term benefits in form of increased revenue. And many things can go wrong on this way! According to the market research institute Gartner, the so-called "Employee Engagement" is the most critical success factor during the implementation of a sustainability strategy. This is why I delved into this topic and focused exactly on this critical success factor and its impact on the success of sustainability strategies in my new book "Going Green Together - How to Align Employees with Green Strategies" (<http://www.going-green-together.com>). "Going Green Together" shows how a corporate culture should be designed to guarantee the success of a sustainability strategy. It also focuses on particularly promising forms of communication and incentive systems. By following the advice in the book, companies are able to positively influence the number of employees who actively participate in implementing a sustainable strategy.

This forms the basis of a successful sustainability strategy. Regarding the business case for sustainability, "Going Green Together" demonstrates that the approach to the business case for sustainability is entirely different from that of generic strategies.

"Frank Röttgers demonstrates that implementing a sustainable strategy is only possible if the strategy is deeply embedded in the mindsets and attitudes of employees which requires changes in a company's culture and leadership style. "Going Green Together" is a valuable addition to the literature on implementing organizational change and provides useful insights for filling the gap between an existing theoretical strategy and its practical implementation!"

- Sean Byrne, The Irish Times

The vast amount of articles and books on this topic conveys the impression that the expertise in this area must be equally large. The intense preoccupation with the issue of sustainability from a business perspective, however, is quite young. Many subject-specific questions are left unanswered by the literature so far.

"Going Green Together" fills this gap with information about techniques and methods that should be included in every sustainability business case and explains how to integrate sustainability into recurring business processes. Moreover, it offers useful advice on how to align employees with green strategies and embed sustainability thinking into the mind and working methods of every single employee: <http://www.going-green-together.com>.

**Are you interested in sustainable practices within the supply chain? Let the education committee know. We are looking at bringing in a speaker for a two day session this spring on Sustainability and Social Responsibility and want to know if this is something membership would support.**

**To let us know your thoughts on this seminar (or any seminar you'd like to see) email us at [education@ismstl.org](mailto:education@ismstl.org)**

## Who Is Responsible for the Debt Downgrade?

By Ernie Goss, Ph.D.



Image: nusrin2

debt ceiling with no spending restraints or revenue enhancements as they have ten times since 2001. By insisting on spending cuts, the Tea Party simply made U.S. debt somewhat more attractive to investors and thwarted and even larger downgrade.

As a result of the economic downturn beginning in the final quarter of 2007, federal spending has grown by 30.0 percent while federal tax receipts have slumped by 5.4 percent thus leaving the nation with an annual budget deficit of \$1.3 trillion for the next fiscal year and a federal debt that is growing at an unsustainable pace. Cuts from the baseline in "discretionary" spending reached in the latest debt ceiling compromise will not put a dent in the problem.

Many pundits and politicians blame the Tea Party for Standard & Poor's recent downgrade of U.S. debt. Whether one agrees or disagrees with the policy prescriptions of the Tea Party, placing blame for the downgrade is clearly wrong.

To successfully reduce the debt burden of the federal government, we must as a society accept real cuts to larger non-discretionary spending programs such as Medicare and Social Security, allow the Bush tax cuts to expire for all workers at the end of 2012, not just the so-called wealthy (there are just too few affluent), and experience vastly higher economic growth.

Without Tea Party intervention, Congress would have merely raised the

Short of these outcomes, more and more of the national income will be transferred to baby-boomers from younger workers who will be saddled with the mounting U.S. debt.

### What to Watch For

By Ernie Goss, Ph.D.

**PMI:** The Mid-America PMI from Creighton and the National PMIs from the Institute for Supply Management will be released on September 1. Indices below 50.0 for both or either will be the first and most significant factor yet that the U.S. economy is dipping back into a recession. Indices above 50.0 will be bullish for stocks.

**Jobs:** On Friday September 2, the U.S. BLS releases its employment report for July. An increase in the unemployment rate and less than 80,000 jobs created will be bullish very for bond prices and negative for stocks pushing interest rates lower.

**Retail Sales:** On Sept. 14, the U.S. Census Bureau will release estimated retail sales for August. A monthly decline from the previous month will be a very important indicators that the U.S. economy is moving back into recessionary ter-

### The Outlook

By Ernie Goss, Ph.D.

- I expect the Federal Reserve to launch QE3 in the coming months. This will prevent long-term interest rates from rising appreciably even with higher inflation.
- While I still think the U.S. economy will avoid another recession, growth will be less that 1.0% (annualized) and overall job growth will be around 0.5%. We need job growth three or four times this pace to bring unemployment rate lowers.
- Home foreclosures will continue to pull housing prices lower.

## Are You Ready for an unexpected Job Interview?

Submitted by: Deborah Walker, Certified Career Management Coach

Most job seekers wait to polish up their interview skills until they are looking for a new position. Important interview opportunities, however, can present themselves at any time. For example:

### **Unplanned internal job openings:**

There is a sudden opportunity to advance your career from within, and your boss recommends you as a candidate for the job. Are you ready to communicate your contributions to the organization?

**A recruiter calls:** The position sounds like just the career move you've been wanting. Will you say the right things to win the job or will you blunder your best chance?

**A former colleague introduces you to his boss:** They are building an exciting new division for their company and looking for new staff. Will you entice his interest in you as a must-have new team member?

Those who continually grow in their careers are always prepared for these situations. Their interview skills are

sharp at all times. To know if your skills are sharp enough to handle a surprise interview, see if you can answer the following three questions:

1. Can you concisely state your value proposition in 30 seconds or less?

A value proposition is meant to intrigue your listener with a quick overview of your skills, expertise, and industry know-how. If you can offer a precise summary of why you are the perfect candidate for that job, you are more likely to get to the second or third interview. A concise value proposition can make a critical difference in winning you a new position.

2. Do you know your top five accomplishments, and can you communicate their impact to your employer's bottom-line initiatives?

A list of your top accomplishments will allow a potential employer to imagine what you can do for him or her. Accomplishments give employers a way to associate your skills with their needs—and a reason to remember you. Be pre-

pared to list your top skills and show how they can help meet corporate needs.

3. Are you prepared to answer your own toughest interview questions, or do you hope they just won't come up?

Don't leave yourself vulnerable to questions like "If you're doing so well in your job, why do you want to leave?" A good recruiter or hiring manager will see you sweat and stutter and squirm; you'll lose their confidence and destroy a chance to get your dream job. Think about the questions that will be your biggest pitfalls—and be prepared to answer them.

Be prepared to answer all these questions and more. With those answers in hand, you'll be ready for the unplanned interview so that you take your career from mediocre to marvelous with "always-ready" interview skills.

[www.AlphaAdvantage.com](http://www.AlphaAdvantage.com)

## Member Benefit of the Month — Online Sourcing Guide

The next time you find yourself searching for a supplier, don't forget to check out this premier online resource for supply management professionals. Easy to use and the only sourcing guide endorsed by ISM.

<http://purchasingandsuppliesourcingguide.com/>

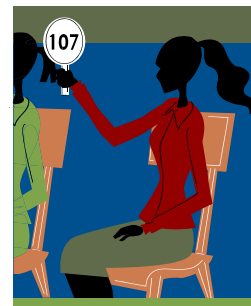
*ISM's presence on [LinkedIn](#), [Facebook](#), [Plaxo](#), [Twitter](#) and [Orkut](#) continues to grow. If you're on any of these social networking sites and haven't yet checked us out, we invite you to do so.*

## Supply Management Term of the Month

Reprinted from ISM's Members Edge

### Two-Step Bidding

A technique that is used when inadequate specifications preclude the initial use of competitive bidding. In the first step, bids are requested only for technical proposals without any prices. In the second step, invitations for bids are sent to those suppliers that submitted acceptable technical proposals, asking them to submit an updated bid with pricing.



# Career Bank

| Company                                      | Position   | Location                                  | Compensation                                       | Industry              | Contact name   | Phone number           |
|--|--|---|--|-----------------------|--|------------------------|
| Cooper B-Line                                | Shipping & Receiving Supervisor (2nd Shift)                  | Highland, IL                              | n/a  | n/a                   | n/a  | n/a                    |
| Ameren                                       | PROCUREMENT SPECIALIST (#10188)                              | St. Louis                                 | n/a  | Energy Utilities      | n/a  | n/a                    |
| Total Metal Recycling                        | International Freight Coordinator                            | Granite City, Il.                         | n/a  | n/a                   | n/a  | n/a                    |
| n/a  | Manager, Global Procurement - Center of Excellence           | Grand Rapids, MI                          | 150k   | n/a                   | Mark Pages   | 858-292-3280 x115      |
| Magellan Health Services, Inc                | Purchasing Assistant   | Maryland Heights, MO                      | n/a  | Health-care           | Apply online at <a href="http://www.magellanhealth.com">www.magellanhealth.com</a> | n/a                    |
| Basler Electric Company                      | Buyer  | Highland, IL                              | n/a  | n/a                   | Vanessa Basler,  | 618.654.2341, ext. 252 |
| c/o Wendy Reitz, Keystone Staffing Resources | Purchasing Manager   | St. Louis, Missouri                       | n/a  | n/a                   | Wendy Reitz  | n/a                    |
| Metro  | Contracting Officer II                                       | St. Louis, MO                             | n/a  | n/a                   | n/a  | n/a                    |
| Peabody Energy                               | Manager Strategic Commodities                                | St. Louis                                 | n/a  | Energy                | Bob Dambach  | 314-342-7667           |
| c/o Wetherby Partners                        | Procurement Manager Fabricated Metal Components              | Atlanta Relocation is available           | n/a  | n/a                   | Lisa Barnaby, Managing Partner   | 404.250.3276           |
| c/o Wetherby Partners                        | Procurement Manager - Capital Equipment                      | Atlanta - relocation available            | n/a  | n/a                   | Lisa Barnaby, Managing Partner   | 404.250.3276           |
| c/o Purcell International Group              | Senior Global Procurement Leader                             | Pacific Northwest Division headquarters   | Mid - Upper \$100K's (bonus and potential equity). | Medical business unit | Caroline Jachura   | 858-292-3280 x113      |
| c/o Wetherby Partners                        | CORPORATE PROCUREMENT MANAGER ELECTRONIC COMPONENTS/CONTROLS | Indianapolis, IN; Relocation is available | n/a  | n/a                   | Lisa Barnaby, Managing Partner   | 404.250.3276           |
| Weekends Only                                | ReBuyer/Planner  | St. Louis                                 | n/a  | Retail                | Jared VonOehsen  | n/a                    |

# We're Looking for Corporate Sponsors!



As an organization of supply chain professionals in the St. Louis metropolitan area with approximately 300 professional members and over 160 companies represented. By becoming a Corporate Sponsor, your company will gain exposure to supply management decision makers and provide them easy access to your website. ISM-St. Louis is part of a network of over 40,000 members of the Institute of Supply Management ([www.ism.ws](http://www.ism.ws)) sharing supply management information and best practices.

\$200.00 per year

This rate includes your logo on the ISM-St. Louis website ([www.ismstlouis.org](http://www.ismstlouis.org)) sponsor page with a hyperlink to your website. It also includes your company logo on a special sponsor page in our monthly newsletter the : Buylines!

*Advertising space is on a first-come, first served basis. ISM-St. Louis reserves the right of placement based on space limitations.*

Corporate Sponsor is responsible for submitting advertisement via electronic file.

## **So how do you become a Corporate Sponsor?**

Interested persons or companies should contact J. Mark Bean by email at [corporatesponsor@ismstlouis.org](mailto:corporatesponsor@ismstlouis.org) or by calling 314-646-7442. Fax: 314-646-7442.

You may also contact the ISM-St. Louis Marketing Director at [marketing@ismstlouis.org](mailto:marketing@ismstlouis.org)

# September Seminars

| eminars  | Dates             | Location          |
|--|-------------------|-------------------|
| Legal Aspects of Supply Management: The Basics You Need to Succeed #4393                 | Sept. 7-9, 2011   | Minneapolis, MN   |
| Legal Negotiations #4279   | Sept. 8-9, 2011   | Chicago, IL       |
| Commodity Teams: Leveraging Value Across the Entire Organization #4441                   | Sept. 15-16, 2011 | Philadelphia, PA  |
| Driving Down Costs Through Cost/Price Analysis #4507                                     | Sept. 22-23, 2011 | San Francisco, CA |
| Legal Considerations of Software Licensing and Other Technology-Related Agreements #4552 | Sept. 26-27, 2011 | San Francisco, CA |



## #3974 THE ISM GUIDE TO SUSTAINABILITY AND SOCIAL RESPONSIBILITY

### INCLUDES

- \* Making the Business Case for Sustainability
- \* Metrics and Performance Criteria
- \* Assessment Elements and Criteria
- \* Guiding Questions to Application Decisions
- \* Case Examples
- ...and more!

2 CEH

FREE Regular Member Price  
FREE Regular Non-Member Price

**Free!**  
REGISTER NOW >>>





**Save the Date!**

**ISM's 4th Annual Women Executive Supply Management Summit  
February 8-9, 2012  
Grapevine, Texas**

**[Sign-up to receive registration and program information!](#)**

We invite you to attend ISM's 4th Annual Women Executive Supply Management Summit. Take time out of your busy schedule to strengthen your supply chain career. Topics include the economy, leadership, supply disruptions and the strategic supply chain. Discover new strategies and best practices from leading executives in procurement and supply management.

Registration opens September 2011

**Member Fee \$845**

Nonmember \$1045

Student Member \$250

Early bird, if you register 6 weeks prior (by December 28, 2011) **\$745 member/\$945 nonmember** (no discount on student reg fee.)

[Check the ISM web site for program updates.](#)

This summit is at the same location as the Black Executive Supply Management Summit and the Hispanic Supply Management Summit. Each summit has its own set of workshops, but general sessions are together. This gives you the added benefit of networking time with your colleagues attending the other summits. Students are encouraged to attend to begin building a professional network.

Hilton DFW Lakes Executive Conference Center  
1800 Highway 26 East  
Grapevine, TX 76051  
817/481-8444  
Reservations 800/894-1344  
[www.hiltondfwlakesecc.com](http://www.hiltondfwlakesecc.com)

Special ISM Rate: \$159/Single

The ISM rate is offered until January 10, 2012; rooms sell out quickly, so please be sure to reserve your room early. A custom, group reservations page will be available soon.

Also for our attendees:

- Complimentary in-room Internet access,
- Complimentary ground transportation to/from DFW Airport as well as the Bass Pro Shop Outdoor World / Grapevine Mills Mall
- Entrance to Hilton Lakes Tennis & Sports Club

ISM ST. LOUIS, INC.



**institute for  
supply management**

**ISM—St. Louis, Inc.**

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## Welcome New ISM-St Louis Members

ISM-St Louis welcomes our recent new members.

Thank You for your participation

Thomas Jacob Jr.  
Heartland Farms LLC

Johnnie Harvey  
Brown Shoe

Hal Majors  
DI Supply LLC Drury Hotels

Amy Vallotton  
MasterCard Worldwide

Bobby Prashad  
Ameren

Caroline Rosales  
Emerson Process Mgmt

Christine Wojak  
Tranzact Technologies

Lance Dorgan  
Brown Shoe

Brian Rogers  
Evan J. Dixon

Wray Miller  
Anheuser-Busch Inc

Cindy Baerman  
CTA Inc.

Cindy Addenbrook  
Sigma-Aldrich

Michael Marzano  
Lindenwood University

Trisha Blaser  
Bausch & Lomb

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<http://www.ameren.com/>

Check us out at  
[www.ismstlouis.org](http://www.ismstlouis.org)



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