

Buylines

June 2008

of the Institute for Supply Management—St. Louis, Inc.

President's Message

Greetings Members:

The time has arrived to pen my last official message as acting President for ISM-St. Louis. First, I want to thank each and every one of you for allowing me to serve the affiliate for the past 12 months. It truly has been my pleasure.

While serving as President and Services Chair of the General Conference this year, I was afforded the opportunity to meet and get to know a lot of our members on a personal basis. This was a great experience that I will not forget.

The Board and I hope all members are pleased with the progress we've made over the past year. We purposely chose to pursue key objectives that provide maximum value for the local affiliate and members.

At the end of any term, you ask yourself the important questions such as what have we

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ISM 93rd International Conference Experience

By Patrick Williamson, C.P.M.

More than 2,000 attendees were in St. Louis the week of May 4-7, 2008 to attend the Institute for Supply Management's 93rd Annual Conference. They were here to attend workshops on topics such as Green purchasing, spend management, ethics, negotiations, forecasting and more. Additionally, they were here to network and take certification exams.

When not attending educational workshops and keynote addresses by such personalities as Dominique Dawes, purchasing professionals at the 93rd annual ISM conference this week in Saint Louis had opportunity to meet with more than 100 suppliers of MRO items, software tools and other goods and services.

Distributors of MRO and other indirect items such as Office Depot, Corbus, Corporate Express, American Express, Comsys, Fastenal, Get There, Sabre, Ariba and Staples, had personnel on hand to speak with buyers on technical issues surrounding new products and service offerings. Providers of services and products used the conference to share news of their companies with attendees. There were also suppliers of sourcing, procurement, contract management and SRM software at the show.

Project Management was a hot topic at the 93rd Annual International Supply Management Conference this week, so much so that it was one of the new educational tracks added to the event for 2008. Other educational tracks included: Leadership in Supply Management, Sustainability Lean supply management and Green Strategies, The Future - Decade Ahead in Supply Management, Global, and Business



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PRESIDENT

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accomplished, what could have done better and what exceeded our expectations? Here are a few that come to mind.

- ISM 93rd International Conference – While the official numbers haven't arrived yet, the overall impression from attending the conference, listening to volunteers and speaking to attendees is that the ISM Conference was a tremendous success from a local chapter branding, learning, volunteer, logistics and attendance perspectives. Kudos to all volunteers for making this conference memorable. Hopefully St. Louis will not have to wait another 70 years to host another ISM International Conference.
- New members - 65.
- Seventeen new volunteers for committees.
- New board position of Secretary
- Formed the History Committee and the Retention Committee which should resurface on an annual basis.
- Formed an Internal Audit Committee.
- Setting up Cvent which will allow our website to be used for payment of dues, seminars, and classes, sign up for membership, RSVP to our activities, maintain our roster, develop and receive surveys and a host of other value added items for our members
- Last but not certainly least, the marketing committee did a wonderful job redesigning the

web site. The enhanced web site is already providing dividends by helping reinforce the affiliate's branding, marketing and membership campaigns while serving as the central information portal.

Thanks to the board for their continuous support and hard

work that made all of our accomplishments possible.

I look forward to staying active in the local affiliate and encourage all members to take an active role in making your local ISM affiliate "Best in Class".

Thank you and best wishes.

Kim Butts, C.P.M.

CONFERENCE EXPERIENCE

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Community. All were well attended and received.

Brigadier General Nick Halley, Daniel Pink, Gerd Hofmann and Olympic Gold Medalist Dominique Dawes were the keynote speakers at the conference and were enjoyed by all. The Business Survey/Economic Outlook Presentation was delivered by Norbert J. Ore, Anthony Nieves, David Hensley and Barry B. Bannister and was quite a wake up call to everyone.

The Institute for Supply Management's 93rd Annual Conference was an outstanding success and everyone should be proud of our affiliate, our city and all the great volunteers of ISM ST. LOUIS.

ISM's 93rd International Supply Management Conference

THANK YOU!

Well, it's done.

ISM members the world over traveled here, met, networked, learned, and came away with new knowledge and an appreciation of St. Louis.

The very positive comments and feedback received during conference bore witness to the effort put forth by all those who volunteered.

As each of you had a part in making this conference the success it was, I hope you feel the satisfaction and benefit of being a "volunteer" was time well spent.

On behalf of the ISM staff, the General Conference Committee, and ISM-St. Louis, congratulations to all.

As I said before, it would have never happened without you.

Marty Rutkovitz

General Conference Chair

What You Missed – ‘Negotiating Out of a Hole’

By Brian Carter, C.P.M.

ISM’s 93rd Annual International Supply Management Conference, held in St. Louis May 4-7, featured many great educational workshops to inform, assist, and develop the Supply Management professional. One such workshop, entitled “**Negotiating Out of a Hole: Techniques for Difficult Situations**”, was presented by Mark J. Trowbridge, C.P.M. – Principal – Strategic Procurement Solutions, LLC. Mark Trowbridge has significant supply management experience and has held positions such as Director Strategic Sourcing – Bank of America, Director of Contracting – Security Pacific Bank, and various procurement positions with Western Airlines, Catalina Yachts, and Gibraltar Savings. Mark’s client list has included, among many others; Apple, Intel, MetLife, Johnson & Johnson, Colgate-Palmolive, and Sprint. If a supply management professional ever held or needed help with a difficult or challenging negotiation, this was a very beneficial workshop to attend to gain some insights through the following six techniques as presented by Mark.

1. Early Involvement of Supply Management
2. Differences between Collaborative and Competitive Negotiation Approaches
3. Preparing the Team...Fighting the Tough Battles
4. Empowerment of Negotiation Through Factual Data:
 - a. Utilizing ‘Should Be’ Costs
 - b. Knowing the Supplier and Future Marketplace Trends
 - c. Past Supplier Performance



5. Negotiate All TCO Elements Before Beginning Relationship
6. Shifting the Paradigm in Sole Source Negotiations

To support Early Involvement, and increased (12%) savings potential vs. late (post supplier selection) involvement, Mark suggested that we build strong relationships with key internal and external customers/suppliers. He also recommended that we work on building a reputation for “Value

Added Contribution” within our respective organizations.

We need to understand the strengths and weaknesses, said Mark, of the Collaborative and Competitive Bargaining strategies. A keen grasp of the competitive Landscape can lead us to choosing the appropriate bargaining strategy for success. Mark indicated that while the Collaborative strategy has many benefits and can lead to ‘two winners and a successful partnership’; the Competitive strategy is also appropriate in many situations.

In order to ‘Prepare the Team’, Mark recommended meeting and gaining agreement with the Key Stakeholders. To break ‘Ties’ and mitigate dissension, issues should be escalated to senior management. Team negotiations and spending 85% of the time on ‘preparation’ were noted as keys to this negotiating technique. Mark also noted that one ‘must know’ the Most, Least and Best Alternate Acceptable Solution prior to entering any negotiation.

To prepare for a negotiation, one must be empow-

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WHAT YOU MISSED

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ered with Factual Data. To do this, Mark recommends developing an Industry Cost Profile from similar Non-Sole/Single source supplier relationships or from published sources like: U.S. Bureau of Labor Statistics, U.S. Bureau of Census (Economic Census), Dun & Bradstreet, Purchasing Business Intelligence Center, and Producer Price Index (UK & EU). One needs to understand the supplier and market place trends 'in detail' before beginning negotiations. Mark provided several sources of information that could assist with this like: Personal Brokerage Research, daily news clips, CAPS, and industry publications. Lastly, Mark suggesting using past supplier performance (quality, service, delivery) as a lever during negotiations. Having clear and organized supplier performance data can assist a supply professional in linking future supplier performance to Compensation levels.

The next technique, negotiating ALL KEY cost elements up front, is sometimes difficult to completely achieve. While Mark provided a complete list of the Raw Material & CapX Negotiable elements, some of the more frequently missed ones are: quality (PPM) storage, cost of funds, future purchase price discount, spares, warranty, maintenance, training, transportation, payment timing, delay penalties, and installation. Some of the non-price elements may yield more savings especially in Sole/Single Source situations, according to Mark.

Another tip from Mark if certainty is lacking in the requirements, is to at least negotiate a price model for calculating future costs.

In the last technique presented, Shifting the Paradigm in Sole Source Negotiations, Mark highlighted several suggestions that all Supply Management professionals can benefit from. Some of his suggestions are: start negotiations early, joint product development, Beta testing of New Products, form a consortium for leverage, joint marketing, reducing the supplier's costs (moving upstream), gain sharing, and acquiring other

products or services from supplier. According to Mark, these techniques should be considered especially if some or all of the following conditions apply: few suppliers, high switching costs, long lead time, unstable market pricing, scarce supply, many buyers, and you are not a major buyer.

Mark's workshop was informative and insightful. The techniques described here should help almost anyone 'negotiate out of a hole'. Thanks to Mark Trowbridge for spending the time to share his experience at this years ISM conference.

ISM Groups and Forums offer their members the opportunity to promote the interchange of ideas and discussion of mutual challenges in their special area of interest. Groups & Forums include areas of interest such as:

Groups

Indirect-MRO	Supplier Management
Logistics and Transportation	Women in Leadership
Materials Management	Chemical
Medical Industry	Electronic Supply Management
Minority and Women's Business Development	Federal Acquisition and Subcontract Management
No.East Supply Management Serv.	Global

Forums

Association Management	Global
Hospitality Supply Management	Indirect-MRO
New York/New Jersey	Logistics and Transportation
Petroleum Industries Buyers	Materials Management
Pharmaceutical	Medical Industry
Southwest Steel Buyers	Minority and Women's Bus Dev
Women in Leadership	No.East Supply Management Serv.
Utility Purchasing Management Grp.	Supplier Management
Chemical	Federal Acquisition & Subcontract
Electronic Supply Management	Mgmt

ISM Groups & Forums are comprised of members with common interests in education and networking in various topics. Group membership is open to all ISM Regular and Direct members. To learn more log onto **www.ism.ws**

Welcome New Members

ISM-St. Louis welcomes our recent new members. Thank you for your participation.

Ms. Linda A. Doly

Reuters American LLC

Ms. Pamela R. Hale

Olin Corporation

Dr. Victor D. Levin, Ph.D.

Olin Corporation

Mrs. Chris M. Osmoe

Olin Corporation

Mr. Steve C. Pennington

Centene

Ms. Christine Tinker

Monsanto

Ms. Kathy Umfleet

Schnucks Markets

REMINDERS

HISPANIC EXECUTIVE SUPPLY MANAGEMENT SUMMIT

The 2nd Annual Hispanic Executive Supply Management Summit is August 7-8, 2008 at the Doubletree Hotel in Washington, D.C.

[Register Now!](#)

HATS OFF!!!

C.P.M. Certifications

ISM-St. Louis extends congratulations to members receiving their C.P.M. Certifications

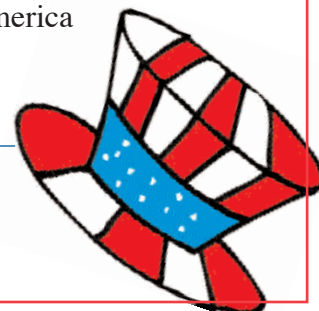
New C.P.M. Certifications

Mr. Derick Smalling, C.P.M. Bunge North America

New Life C.P.M. Certifications

Miss Linda Gulker ABB Power T & D

Please contact Rebecca D. Klutho at 314-525-9522 or ismstl@sbcglobal.net with news about yourself or your company.



Membership Dues

THE SECOND NOTICES FOR MEMBERSHIP RENEWAL FOR THE YEAR 2008-2009 WILL BE EMAILED JUNE 15, 2008. Please make payment by June 30, 2008 to keep your membership in good standing.

CURRENT DUES RATES ARE:

Regular Member Renewal	\$260
Associate Member Renewal	\$160
Full Member Renewal (Includes 1 seminar)	\$395
New Regular Member	\$285
New Associate Member	\$165
New Full Member (Includes 1 seminar)	\$415

Payment is due by June 1, 2008 and is delinquent after June 30, 2008.

We look forward to our members rejoining our affiliate and gaining new members. If you know someone in your company that may be interested in joining ISM – St. Louis please email their contact information to ismstl@sbcglobal.net. Visit our website at www.ismstlouis.org under the membership section



**institute for
supply management**
ISM—St. Louis, Inc.

ST. LOUIS Supply Manager of the Year Award

ISM- St. Louis is a local professional organization of supply professionals with over 350 members. Our members are comprised of buyers, senior buyers, purchasing specialists, managers, procurement coordinators, materials managers, logistics managers, supply chain directors, directors and vice-presidents.

Every year, ISM- St. Louis selects an individual to receive the St. Louis Supply Manager of the Year Award to recognize a special individual who contributes significantly to the advancement of the supply profession through ISM- St. Louis.

This award will go to the individual member who is devoted to enhancing the knowledge, reputation, and networking opportunities for our members. Julie Wulff and Kay Givens will be on the nominating committee this year. The committee is requesting nominations from our members. If you would like to nominate a supply professional for this award, please email Julie Wulff at jwulff@supplywisesolutions.com. A form is below, or you can request a Word version from Julie via email.

We will be presenting the award to the St. Louis Supply Manager of the Year at the September 23, 2008 meeting. Thank you for nominating those special members who make a difference for all of us!

PAST SUPPLY MANAGER OF THE YEAR RECIPIENTS

2007 Julie Wulff, C.P.M.

2004 Carla Russo, C.P.M.

2006 Kim Butts, C.P.M., CPPB

2003 Jim Schmitz, C.P.M.

2005 Kay Givens, C.P.M.

2002 Tom Stretch

**Nominating Committee Members:
Julie Wulff, Kay Givens**

NOMINATION FOR ST. LOUIS SUPPLY AWARD – 2008

This award is given to the individual who contributes significantly to the advancement of the supply profession through ISM-St. Louis through distinguished service and contribution.

Name of Nominee: _____

Name of Company: _____

Nominated By: _____

Describe individual's accomplishments: _____

Don't Take a Vacation from Your Career



Summer-time typically means vacation plans. Therefore, it is easy to get caught up in the day-to-day issues at work and preparation plans at home that cause us to lose focus on the progress we make in our careers. Suddenly, it's late August, we're deep into the year; we haven't made that commitment to obtain the training we set as a professional development objective at the beginning of the year; and, perhaps, we haven't renewed our membership in ISM-STL.

Perhaps you're saying, "You're right. It happens every year!" And every year, like Cubs fans, you say, "Maybe next year".

"So what are you going to do about it this year?"

I realize Summer-time is hard with covering for other colleagues who are on vacation, to preparing and recovering from your own vacation break. We all need to recharge our batteries. In general, it is a fact that people work better and are more effective if they routinely take time away from work. However, I liken careers to 401(k) plans. The more you put into it, the more dividends it will pay over the long-haul.

The good thing is, it's June and you have several months to plan your actions for the rest of the year. Most Certificate Programs and Advanced Degrees offered by Higher Education Institutions, such as SLU, commence in September. In addition, ISM-STL's Professional Development Program re-convenes in September, too. And there are a multitude of other opportunities to boost professional development before the end of the year.

So enjoy the Summer and any vacation plans you make. I hope you return refreshed and rejuvenated. And I trust this year will find you re-committed to advancing your professional development and enhancing your career path.

"Cowabunga Dude and Dudettes!"

**Written by: Eugene M. Kattak, C.P.M.,
Career Bank Facilitator
ISM-St. Louis**

PROFESSIONAL CREDENTIALS CORNER



**institute for
supply management**

CERTIFICATION UPDATE

Sign up now to receive certification's FREE quarterly e-newsletter **Supply Line 2055: Certification Update**. Look for this free e-newsletter every quarter to keep you updated on the latest happenings to the C.P.M., A.P.P. and New Qualification programs, and to answer some of your frequently asked questions. You will receive e-mail notifications with a link to the newsletter, each time Supply Line 2055: Certification Update is published on our Web site.

To subscribe, go to ISM web site under Professional Credentials enter your e-mail address in the field next to the "Join" button, then press "Join." Be sure to use the e-mail address where you would like to receive your messages.

GLOSSARY OF TERMS- TERM OF THE MONTH

The ISM Glossary of Key Supply Management Terms is a valuable reference tool for supply professionals and helpful in studying for the CPSM certification. You can find the Glossary of Terms on the ISM web site under Tools>Research Tools>General Supply Management Information.

CYCLE COUNTING

A physical stock checking system in which the inventory is divided into groups which are physically counted at predetermined intervals, depending upon their ABC classification. Thus, the physical inventory counting goes on continuously without interrupting operations or storeroom activities. Also referred to as "continuous inventory."

CPSM Preparation Question of the Month

Which of the following is the LEAST important concern when contracting for the design and manufacture of a special component?

- A. The ownership of the design
- B. The location of the supplier
- C. The right to apply for a patent
- D. The ownership of special tooling

See page 8 for answer.

ISM Events Calendar - June-August, 2008

Month Date	Event	Time	Location
June 10	ISM Board Meeting	5:30	Duffy's - Kirkwood, Mo.
June 27-28	ISM Leadership Training	8 - 5	Charlotte, NC
July 8	ISM Board Meeting	5:30	Duffy's - Kirkwood, Mo.
July 25-26	ISM Leadership Training	8 - 5	Boston, MA
Ausut 1-2	ISM Leadership Training	8 - 5	Las Vegas, NV
August 12	ISM Board Meeting	5:30	Duffy's - Kirkwood, Mo.

Current Career Bank Postings

Position	Date Posted	Industry	Location	Posted by
Contracts Administrator	Apr-08	Wholesale Distribution Medical Products	Earth City, MO	MMMS Medical
Senior Buyer	Mar-08	Lighting	St. Louis, MO	Code 3

For detail 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 Eugene Kattak, C.P.M. - ISM-St. Louis Career Bank Facilitator: eugene.kattak@covidien.com

CPSM Question

Answer: (B)

OFFICERS AND DIRECTORS

July 2007 - June 2008

President

Kimberly Butts, C.P.M., CPPB

President-Elect

Julie B. Wulff, C.P.M.

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Dwayne Yount, C.P.M.

Director of Prof. Development

Tony Noe, C.P.M., CIRM

Secretary

Pat Greathouse

MEMBER COMPANIES

We list Member Companies web sites address on the ISM-St. Louis web site under St Louis Companies. If you do not want your company listed, please send an e-mail to Marketing@ismstlouis.org.

Buylines

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