

## UPCOMING EVENTS

### January

12<sup>th</sup> **NAPM-Houston Dinner Meeting**

28<sup>th</sup> **Local Seminar – “Process Based Leadership”** presented by Seth Davies, Competitive Solutions, Inc.

### February

11<sup>th</sup> **NAPM-Houston Dinner Meeting**

11<sup>th</sup> **ISM Satellite Seminar “Talent and Career Management for Supply Professionals”**

### March

9<sup>th</sup> **NAPM-Houston Supplier Expo**

10<sup>th</sup> **Local Seminar “The 5 C’s of Excellence in Supply Chain Management”** presented by Sharon McGee, R.M. Mechanical, Inc.

25 - 27<sup>th</sup> **CPSM Bridge Review and CPSM Regular Review**

Check out the details for all events

[www.napmhou.org](http://www.napmhou.org)

### **Pre-Meeting:**

**“Resume Preparation”**

by John Stansfield

### **Location:**

**Sheraton Houston**

**Brookhollow Hotel**

3000 North Loop West,  
Houston, Texas 77092

### **Cost:**

**\$27** with Reservation,

**\$30** at the door without  
reservation

### **When:**

**5:00 pm – Pre-Meeting**

**6:00 pm – Dinner**

**7:00 pm – Program**

**8:30 pm – Adjourn**

## January 12th General Meeting

### “Supply Chain Executives from Houston’s leading companies discuss key issues and current topics in Supply Chain Management”

By Dan Coleman

Our panel includes:

- **Paul St. Amant**, Associate Vice President, Supply Chain Management, The University of Texas M. D. Anderson Cancer Center. Prior to joining M. D. Anderson, St. Amant served as the Executive Director of Supply Chain Services for Texas A&M University. He has more than 20 years of supply chain management and strategic sourcing experience as a consultant and corporate team member.
- **Robert Vaio**, Vice President of Global Supply Chain, Hess Corporation. Robert joined Hess in 2004 and has worked for over 20 years in the oil and gas industry and as a business consultant.
- **Pamela Beall**, Vice President of Global Procurement, Marathon Oil Corporation. Previously, Ms. Beall was organizational vice president, Business Development -Downstream for Marathon Petroleum Company LLC.
- **Hether Benjamin-Brown, M.B.A.**, Vice President, Supply Chain Services, Calpine Corporation. Prior to Calpine, Hether held supply chain leadership roles of increasing responsibility in both public and private industries spanning Aerospace & Defense, Environmental & Waste, Information Technology, and most recently Healthcare.
- **Tracy Stephens**, Senior Vice President & Regional Managing Director, Resources Global Professionals. In 1995 Tracy co-founded The Procurement Centre, a professional services firm dedicated to supporting the transformation and operation of supply chains. In 2002 The Procurement Centre was acquired by Resources, becoming the Supply Chain Management practice of the firm.

The Moderator is Dan Coleman, Local Director, Past President, NAPM-Houston.

Please RVSP for dinner meeting by Thursday, January 7<sup>th</sup> by 5pm at [napmhou@earthlink.net](mailto:napmhou@earthlink.net) to reserve your seat

## EXECUTIVE BOARD

### PRESIDENT

Kim Wren, A.P.P.  
Amegy Bank  
[kim.wren@amegybank.com](mailto:kim.wren@amegybank.com)

### VICE-PRESIDENT

Jo Ann Prazak, C.P.M.  
Swift Energy Operating, LLC  
[joann.prazak@swiftenergy.com](mailto:joann.prazak@swiftenergy.com)

### SECRETARY/PARLIAMENTARIAN

Hether C. Benjamin-Brown, MBA  
Calpine  
[benjaminhe@calpine.com](mailto:benjaminhe@calpine.com)

### TREASURER

Edward M. Wahowski  
Williams  
[edward.m.wahowski@williams.com](mailto:edward.m.wahowski@williams.com)

### IMMEDIATE PAST PRESIDENT

Gail Fuselier  
CITGO Petroleum Corp  
[mfuseli@citgo.com](mailto:mfuseli@citgo.com)

### DIRECTORS-AT-LARGE

Sharon Malkovicz, C.P.M.  
Hewlett Packard  
[sharon.malkovicz@hp.com](mailto:sharon.malkovicz@hp.com)

Marian T. Nimon, MBA, C.P.M.  
UT M.D. Anderson Cancer Center  
[mnimon@mdanderson.org](mailto:mnimon@mdanderson.org)

### LOCAL DIRECTORS

Dan Coleman, C.P.M.  
Resources Global Professionals  
[dcolema1666@earthlink.com](mailto:dcolema1666@earthlink.com)

Sarah Ansley, C.P.M.  
National Oil Well Varco  
[sarah.ansley@nov.com](mailto:sarah.ansley@nov.com)

Dora Valdez  
Aramco Services Company  
[da.valdez@aramcoservices.com](mailto:da.valdez@aramcoservices.com)

## Standing Committees

### COMMUNICATIONS/ PUBLIC RELATIONS

Laurie D. Oberhoff  
Tecmag, Inc.  
[loberhoff@tecmag.com](mailto:loberhoff@tecmag.com)

### MEMBERSHIP

Filza Salim  
Shell  
[filza.salim@shell.com](mailto:filza.salim@shell.com)

### PROFESSIONAL DEVELOPMENT

Joseph Britt, CPSM  
Neighborhood Centers Inc.  
[jbritt@neighborhood-centers.org](mailto:jbritt@neighborhood-centers.org)

### PROGRAMS

Mara Stanfield, C.P.M.  
Belmont Village  
[mstanfie@belmontvillage.com](mailto:mstanfie@belmontvillage.com)

### SPECIAL ACTIVITIES

Teena Bell  
[teenabell@juno.com](mailto:teenabell@juno.com)  
Bob Engel  
Resources Global Professionals  
[bob.engel@resources-us.com](mailto:bob.engel@resources-us.com)



## Happy Holidays to All!

As you set your goals for the year, remember to add to your resolutions to earn points toward your recertification. There is a seminar schedule for January 28, 2010 called "Competitive Solutions, Inc: Process Based Leadership" and there is also a satellite seminar scheduled for February 11, 2010, "Talent and Career Mgmt for Supply Professionals". Please go to the Professional Development page on NAPM – Houston's website for more information and updates on these educational events.

Also as a reminder, nominations are being taken for Boss of the Year, Supplier of the Year, and Outside/Inside Salesperson of the Year. If you have someone in mind that would be deserving of any of these awards, please contact Kim Marcum, our Awards Chair. The Boss of the Year Award will be presented at the February Dinner Meeting. Supplier of the Year and Outside/Inside Salesperson Awards will be presented at the March Dinner Meeting.

So check our association website for the latest in association news and other opportunities. You may just find the tool or training you are looking for today to start your new year. Plan to join us on the second Tuesday of the month for our General Meetings starting January 12, 2010.

### **Kim Wren, A.P.P.**

President, NAPM - Houston, Inc.  
[kim.wren@amegybank.com](mailto:kim.wren@amegybank.com), (713) 232-2134

## What's in a Name?

By: Sharon Malkovicz, C.P.M.

President Kim Wren recently assembled an ad hoc committee to research the brand-effectiveness of the name of the organization. The ad hoc committee includes members Joe Britt, CPSM, Jo Ann Prazak, C.P.M., Mara Stanfield, C.P.M., Filza Slim, Marian Nimon, C.P.M., David Allen, C.P.M. and Sharon Malkovicz, C.P.M. The committee research included discussions with several other affiliates as well as new and potential members. Resulting comments included: a.) our association and jobs are no longer exclusively purchasing, b.) our responsibilities span planning, inventory management, logistics, sourcing, and project management and c.) what was formerly known as 'Purchasing' is today's Supply Management. It is imperative for our association's growth that our affiliate name recognition reflect today's business environment and current terminology.

The ad hoc committee presented their findings and recommendations to the NAPM-Houston Board of Directors with the recommendation to change the name to 'ISM-Houston.' NAPM-Houston Membership will have an opportunity to vote on the name change in April.

Questions and comments regarding the name change may be addressed with any one of the ad hoc committee members listed above.

February's Buyline will address ISM's requirements for an affiliate name change.

## ISM January 14, 2010 Membership Vote

By Sharon Malkovicz, C.P.M.

The 2010 Proxy for the Annual Meeting of Members of the Institute for Supply Management, Inc.™ (ISM) was mailed to you on December 3, 2009. You are being asked to vote on the election of ISM Board members and an amendment to the Bylaws. The report of the vote and other business of the organization will be made at the Annual ISM Membership Meeting that will be held on Thursday, January 14, 2010 at 11:30 a.m. Mountain Standard Time at the headquarters of ISM at 2055 E. Centennial Circle, Tempe, Arizona.

The first proposal is the approval of the following nominees for membership on the ISM Board of Directors:

**Janice L. Davis**, *Term: 4 years*  
*Vice President and Chief Procurement Officer,*  
*Bombardier Aerospace*

**Craig J. Johnson, C.P.M., A.P.P.**, *Term: 4 yrs*  
*Chief Executive Officer, Musician's Friend, Inc.*

The second proposal is to amend the **ISM Membership Criteria** is to allow any person interested in the supply management field to be a Regular Member if an Affiliated Association provided that person does not solicit business on behalf of such person or his or her employer during meetings of any ISM activity. **This modification would remove the current restriction on persons who are primarily engaged in sales activity.**

As a member of NAPM-Houston's Board of Directors, I don't feel it's right to voice an option on how you or our membership should vote, but please read the proposal below, visit ISM website and then decide if you believe people engaged in sales activities should be allowed membership in ISM.

### 2. Proposal to Amend the Bylaws to Modify ISM Membership Criteria

The Board recommends the modification of Regular Membership criteria to allow any person interested in the supply management field to be a Regular Member of an Affiliated Association provided that person does not solicit business on behalf of such person or his or her employer during meetings of any ISM activity. This modification would remove the current restriction on persons who are primarily engaged in sales activity. Such a change would automatically also modify the criteria for a Direct Member, as stated in Article II, Section 2 of the Bylaws.

The field of supply management has undergone significant changes during recent years. Increasingly, ISM members are engaged in a wide variety of business activities during their careers. ISM members frequently

participate in cross-functional teams within their own organizations and on teams comprised of one or more suppliers in order to improve the overall effectiveness of their organizations. Indeed, supply managers often work side-by-side with business development professionals in order to serve their employers' goals.

Early in their careers, supply management professionals often participate in job-rotation or other professional-skill enhancement programs that require them to move throughout the key functional areas of their organizations, including marketing, sales or other business-development roles. Other supply management professionals find that an advantageous career opportunity presents itself through movement into sales. Or, particularly in tough economic times, supply management professionals may simply find that they can best leverage their skills and abilities to find employment in the sales profession. Many of these individuals may desire to remain active with ISM in order to continue their professional development and to keep them prepared for future re-entry into the supply management profession.

The ISM Board strongly advocates and stresses the continued restriction on using ISM membership as a method of active solicitation or sales. Affiliates, Groups and Forums would be able to rightly enforce all restrictions on such activities. It should be noted that some Affiliates currently allow participation by those in the sales profession.

### Proposed Bylaw Amendment

**ARTICLE III, Affiliated Association, Section 4. Regular Members is hereby amended in its entirety to read as follows:** Any person interested in the supply management field shall be eligible to be a Regular Member of an Affiliated Association provided that such person does not solicit business on behalf of such person or his or her employer during meetings of any ISM activity, including without limitation, meetings of Affiliated Associations (including chapters), ISM Committees and ISM groups and forums (as defined in Policy).

For additional information on the vote see:

<http://www.ism.ws/MembersOnly/content.cfm?ItemNumber=8643>

Online voting begins December 3, 2009, and ends at 11:30 a.m. MST on January 14, 2010.

## Career Services Pre-Meeting January 10, 2009

By: Jonathan Heath – Career Services Chairman

**Presenter:** John Stansfield

**What:** Resume Preparation and Techniques

**When:** Tuesday - January 10<sup>th</sup>, 2010

**Where:** Sheraton Brookhollow Hotel

**Time:** 5:00pm – 6:00pm

## February is Supplier Diversity Month at NAPM-Houston

By Rose Berberian, MBA, CPSM, Co-Chair Supplier Diversity Group

Hello NAPM-Houston members! Mark your calendars now for the February pre-meeting and dinner meeting promising to be full of insightful information. As usual, February's focus will be on Supplier Diversity. The pre-meeting will discuss WHY you need a supplier diversity program and the dinner meeting will provide information on HOW to set up a successful supplier diversity program. We hope you make plans to attend both and we look forward to seeing you there.

Also, please send your supplier diversity related questions to [napmhouston.supplierdiversity@gmail.com](mailto:napmhouston.supplierdiversity@gmail.com) and a supplier diversity professional will answer your question in the newsletter for everyone's benefit. You will remain anonymous.

---

## Congratulations On Your Tenures!

By: Laurie Oberhoff \* Public Relations & Communications Chairman

### 5 Year

DeWight M. Dopslauf, C.P.M., A.P.P.

Jeff R. Farmer, C.P.M.

John L. Konen, C.P.M.

Jim McQuillen

Edward Ramos

Martha Sloan, C.P.M., A.P.P.

John M. Still

Anna Thauberger

Matthew H. Valentine, C.P.M.

### 10 Year

Brian M. Sell, C.P.M.

William R. Huggins

Brian Foster

### 15 Year

Becky Dorn

### 20 Year

Susan B. Marshall, C.P.M.

### 40 Year

Dieter L. Hartmann

---

## Health Care Buyers Group

By: Steve Saunders, M.Ed., M.B.A., C.P.M

Hello. My name is Steve Saunders, M.Ed., M.B.A., C.P.M. and I recently accepted the position of Chairman for NAPM-Houston's Health Care Buyers Group.

The Health Care Buyers Group is comprised of individuals in the purchasing and supply chain departments in various companies that are related to the healthcare industry. A few representative organizations are Texas Children's Hospital, University of Texas M.D. Anderson Cancer Center, University of Texas Health Science Center, Medical Clinic of Houston, Memorial Healthcare, Shriners Hospital, and Mann Berkley Eye Center. The goal of the group is to provide members in the healthcare industry

development opportunities and valuable contacts with your peers, including local networking, educational events to keep you current on supply management topics and trends, certification preparation and opportunities to accrue continuing education hours for recertification. Typically, a guest speaker addresses topics and/or products of interest to the medical industry supply chain community.

Meetings are held throughout the year and the next meeting will be held in late February. The specific date, time and location will be announced later in January. There are initiatives currently underway to determine the most optimal time and place to meet in order to accommodate the needs of the members.

If you are interested in learning more about the Health Care Buyers Group or have questions, please feel free to contact me via phone, 713-745-8317 or e-mail [ssaunders@mdanderson.org](mailto:ssaunders@mdanderson.org) with your queries.

---

## NAPM - Houston, Inc. 2009 - 2010 Boss of the Year Award

It is that time of year again to start thinking about the upcoming Boss of the Year Award.

**Each year in January; NAPM - Houston members are encouraged to make a nomination for their boss to be the NAPM- Houston, Inc. Boss of the Year.**

The Boss of the Year Award will be presented at the February 9, 2010 General Meeting. The deadline for nominations will be Friday, January 15, 2010.

Forms are available at the following link:

<http://www.napmhou.org/AwardsCommittee.htm> .

---

## NAPM - Houston, Inc. 2009 - 2010 Suppliers of the Year Awards

Each year in NAPM-Houston, Inc. the month of March is declared Purchasing Month. During the months of January and February, our Awards Committee Chairman encourages each member to submit a nomination for their Supplier of the Year,

### **Inside Salesperson of the Year and an Outside Salesperson of the Year.**

A nomination for all three categories is not necessary, but greatly appreciated.

In March, NAPM - Houston, Inc. recognizes the Suppliers who have performed well in their realm of duties as a Supplier and should be recognized and appreciated for their efforts. These awards are presented during the Supplier Expo at our March 9, 2010 General meeting.

The deadline for nominations is Friday, February 12, 2010.

Forms are available at the following link:

<http://www.napmhou.org/AwardsCommittee.htm>

---

# Seminars

By Joe Britt, CPSM

## January 2010 Local Seminar: "Process Based Leadership"

Presented By: **Seth Davies**, Managing Partner/Senior Consultant, Competitive Solutions, Inc.

In this interactive session, participants will receive a lively overview of the four key elements necessary to create and sustain a high performance mentality and process throughout any organization. The presenter will focus strongly on the role of organizational leadership to create, emulate, communicate, and reinforce the non-negotiable strategies necessary to sustain business success.

**When:** Thursday, January 28, 2010

**Location:** Sheraton Houston Brookhollow  
3000 North Loop West, Houston, TX 77092

**Time:** 8:30 a.m. – 12:30 p.m.  
(Arrive 8:00 a.m. for check in)

**Member registration fee and deadline:** \$65 by Monday, January 25, 2010

For details, see link for "[2009-2010 Seminars](#)" on our website, [www.napmhou.org](http://www.napmhou.org)

## ISM Satellite Seminar: "Talent and Career Management for Supply Professionals"

Challenging economic conditions and uncertainty are reshaping the face of the job market and raising concerns for many workers around the globe. Supply management organizations are working to ensure that they are staffed with individuals who have the requisite competencies to meet their needs. Supply professionals are searching to find and retain positions that provide job satisfaction and career advancement. This satellite seminar will explore the talent management, career management, succession planning and other human resource challenges in today's supply management arena.

**When:** Thursday, February 11, 2010

**Location:** Aramco Services Company  
9009 West Loop South, Houston, TX 77096

**Time:** 9:00 a.m. – 1:30 p.m.  
(Arrive 8:15 a.m. for check in)

For details, see link for "[2009-2010 Seminars](#)" on our website, [www.napmhou.org](http://www.napmhou.org).

## March 2010 Local Seminar: The 5 C's of Excellence in Supply Chain Management

Presented By: **Sharon McGee**, Past President/CEO, R.M. Mechanical Inc.

The Five C's of Excellence in Supply Management is an inspirational examination of the skills and aptitudes necessary to excel in Supply Management; along with what it takes in willingness and hard work to develop and nurture our ability to communicate well and to be connected, conscientious, confident, and constant.

These skills are, at once, obvious and elusive, innate and arduously acquired, and difficult to achieve yet decidedly simple. They lie at the heart of any job well done; they are the jewels of our trade. Just like an old and forgotten metal supply cabinet can be a treasure trove of items seldom used, but missed indeed, each "skill" discussed (and its dazzling facets) will sparkle anew with Sharon's imaginative approach, down to earth suggestions, sense of humor and contagious enthusiasm.

**When:** Wednesday, March 10, 2010

**Location:** Sheraton Houston Brookhollow  
3000 North Loop West, Houston, TX 77092

**Time:** 8:30 a.m. – 12:30 p.m.  
(Arrive 8:00 a.m. for check in)

**Member registration fee and deadline:** \$65 by Friday, March 5, 2010

## March 2010 CPSM Bridge Review and CPSM Regular Review

Presented By: **Dr. Russell Morey, C.P.M., CPSM**

**When:** Thursday, March 25 (Bridge only) – Friday and Saturday (Regular), March 26-27, 2010

**Location:** Sheraton Houston Brookhollow  
3000 North Loop West, Houston, TX 77092

**Time:** 8:00 a.m. – 5:00 p.m.

### Registration fees and deadline:

Bridge - \$180 and Regular - \$180/day or \$285/both days (includes materials, continental breakfast, and lunch) by Friday, March 19, 2010.

For details, see link for "[2009-2010 Seminars](#)" on our website, [www.napmhou.org](http://www.napmhou.org).

## Professional Development Committee

By: Joseph R. Britt, CPSM

### Certification recipients

Congratulations to our affiliate members who recently received a certification!!

**Mayur Patel, C.P.M.** – October 13, 2009  
**John Upton, CPSM** – October 7, 2009  
**Kirk Bateman, C.P.M.** – October 21, 2009  
**Lynn Woods, Lifetime C.P.M.** – October 20, 2009  
**David Savoy, C.P.M.** – October 21, 2009  
**Mimi Penn, C.P.M.** – October 28, 2009  
**Bryan Kendig, C.P.M.** – November 4, 2009  
**Stephanie Gutierrez, C.P.M.** – November 19, 2009  
**Michael Ingram, C.P.M.** – December 3, 2009  
**Earlie Thomas, C.P.M.** – December 2, 2009  
**Suzanne Michaud, CPSM** – December 2, 2009  
**Wayne Doyle, C.P.M.** – December 8, 2009

## NAPM – Houston, Inc. Welcomes Our Newest Members

By: Gail Fuselier – Immediate Past President

Belinda Akers  
 Frederic Andersen  
 Shawn Bhimani  
 Indra K. Vasquez Brown  
 Jonathan Church  
 Steve Condrill  
 Maria Fernanda Quezadas Cortes  
 Don Dildy  
 Cyndie Dreyer  
 Jack Kardow  
 Chad Nguyen  
 Rachael Nyaumwe  
 Maria Daniela Pac  
 Andrew V. Rapoza  
 Debra Tolliver  
 Heather Warrens  
 Mariette I. Battles  
 Joseph Kaniyamkandathil

## Save the Date!

By Marian Nimon, M.B.A., C.P.M.

Mark your calendars as you won't want to miss one of the most exciting general meetings of the year! NAPM-Houston's annual Supplier Expo featuring 30 or so vendors will be on Tuesday, March 9, 2010. Come early to visit the expo.

Visiting the expo exhibitors enables you to participate in the door prize drawings. Doors open at 4:30 p.m. The show hours are from 4:30 p.m. - 6:00 p.m. prior to dinner. The evening wraps up around 8:00 p.m. You may recommend suppliers whom you wish to refer for

invitation. Contact the Supplier Expo chair Teena Bell at [teenabell@juno.com](mailto:teenabell@juno.com) or (281) 435-3817.

The registration form is also available on the NAPM Houston Website,  
[http://www.napmhou.org/2010SupplierExpo\\_RegForm.doc](http://www.napmhou.org/2010SupplierExpo_RegForm.doc)

## 2010 Student Scholarship Research Paper Competition Requirements

By: Matt Meyer – School Partnership Chairman

The Student Scholarship Research Paper Competition is an activity NAPM-Houston sponsors to encourage a better understanding of supply chain management among college students. The program benefits students (through cash awards for academic research in topics related to supply chain management), colleges and universities (through local recognition of outstanding student achievement), and the NAPM-Houston Inc (through education of its members and recruitment of the best students into the profession). The major objectives of the program are to increase student awareness of NAPM-Houston, encourage students to develop and expand their knowledge in the field of supply chain management, reward outstanding academic achievement in the study of supply chain management, increase student awareness of the practical applications of supply chain management within actual organizations.

### Topic

Describe what role the supply chain management industry played during the recent economic crisis. Compare and contrast various strategies of different industries and/or how specific companies seemed to handle the crisis better than others during this difficult time. Are different industries and/or specific companies positioning their supply chain for better management of future challenges?

### Requirements

Participants must be a current undergraduate student pursuing a degree in the supply chain management (or other related) field.

Students must be a member of ISM/NAPM.

Students must submit a copy of their current semester schedule.

Paper cannot exceed 2,000 words.

### Deadlines

Paper must be submitted via email to [NAPM.Houston.School.Partnership@gmail.com](mailto:NAPM.Houston.School.Partnership@gmail.com) by April 1, 2010

Winners will be notified May 1, 2010 and invited to attend the May general dinner meeting to accept their prizes

### Rewards

First Place = \$500  
 Second Place = \$300  
 Third Place = \$200

### Point of Contact

Matt Meyer -NAPM Houston School Partnership Chairperson  
 Email: [NAPM.Houston.School.Partnership@gmail.com](mailto:NAPM.Houston.School.Partnership@gmail.com)  
 Phone: 713-546-6102

# NAPM - HOUSTON BUSINESS REPORT

For further information, contact: Mike Valant, C.P.M., A.P.P. (281) 518-8575

Press Release

December 2009

## ECONOMY SHOWS CONTINUED GROWTH

### Purchases Paid Are Increasing!

The Houston Purchasing Managers Index, a leading indicator of regional production, moved up to **51.2** in November, making eight consecutive months of improvement since April. This increase would appear to reflect heightened confidence in near term Economic growth. The PMI, which indicates likely shifts in Production volume three or four months in advance, now shows a signal that production is likely to continue to improve. The PMI has a possible range of 0 to 100. Reading's over 50 indicate production gains over the near term; readings below 50, show coming contraction. September was the Houston PMI's first month at or over 50.0 after ten consecutive months in negative territory.

The Houston PMI is based on diffusion indexes for eight indicators. (A diffusion index is simply the percentage of respondents reporting increases from the previous month less the percentage reporting declines.) The largest change among the eight components in November from October was in Lead Times at 0, which continued to improve since the low of -43 in March. There was an 18% improvement from just last month.

Prices Paid (for major purchases) showed a definite increase from -24 to -11 from our October responses. So it appears inflation is on the way as the dollar continues to decline. It is interesting that while Sales slipped ever so lightly, Production and Employment remained the Same. Finished Goods Inventories, which have been -27 for the last several months increased to -11 last month. So It looks like we are building some inventory again for the hoped improved economy. Purchased Inventory a components of the PMI for which declines represent *good news*, had a slight 4% increase to help the PMI improvement.

The Houston PMI has fallen sharply over the past 12 months. In May and June last year, it posted readings above 60, a level that represents an extremely positive outlook for regional production. Before turning negative last November, the Houston PMI posted 58 consecutive months of positive readings that averaged 46.8 for the past seven months. In contrast, the Houston PMI has averaged 44.4 over the last twelve months.

The recent improvements of PMI components have finally taken us out of negative territory, indicating an improvement in the Houston economic picture. The rate at which regional performance declines should taper, but it definitely appears Houston has started to rebound from the worst of the economic condition.

**Commodities in Short Supply:**

N-95 masks, waterless soap, H1N1 vaccine, HP Printers, none, Some toner products and technology (printers), 12-HAS, Zinc Oxide, Miscellaneous Electronic components due to WW capacity reductions.

**Commodities UP in Price:**

gasoline, copper has gone up, Additives, Fuel, Resin, TiO2, pallets (wooden), Forklift batteries, Plastic pipe, fittings & valves, Stainless Fabrications, Items purchased overseas due to the dollar devaluation, Highly engineered equipment, Copper, 12-HAS, Base Oils, Plastic Pails w/Lids, Miscellaneous Electronic components due to the reduced WW capacity

**Commodities DOWN in Price:**

Computers and accessories, Labor, electrical cable; commodities made from stainless steel

**November 2009**

	UP	SAME	DOWN	N/A
Sales	38%	29%	27%	7%
Production	16%	49%	18%	18%
Employment	9%	67%	24%	0%
Purchases	31%	42%	27%	0%
Prices Paid (Major Purchases)	11%	67%	22%	0%
Lead Times (from Sellers)	18%	64%	18%	0%
Purchased Inventory	7%	51%	24%	18%
Finished Goods Inventory	11%	47%	27%	16%

**Index 2008 - 2009 (9 months)**

	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Sales	-28	-13	-30	-22	-22	-5	5	9	11
Production	-18	-20	-18	-12	-27	-15	-5	-2	-2
Employment	-48	-43	-33	-32	-29	-27	-23	-16	-16
Purchases	-43	-38	-35	-20	-22	-22	2	0	4
Prices Paid (Major Purchases)	-40	-48	-43	-24	-27	-22	-18	-24	-11
Lead Times (from Sellers)	-43	-33	-33	-22	-15	-10	-9	-9	0
Purchased Inventory	-20	-15	-25	-17	-17	-22	-16	-13	-18
Finished Goods Inventory	-13	-18	-25	-12	-27	-24	-27	-27	-16

Note: Each monthly index was calculated by subtracting the "DOWN" percentage from the "UP" percentage. The indices are not seasonally adjusted.

	Oct08	Nov08	Dec08	Jan09	Feb09	Mar09	Apr09	May09	Jun09	Jul09	Aug09	Sep09
Composite PMI	45.4	39.6	39.6	39.0	40.9	41.9	43.5	43.8	46.8	50.0	50.6	51.2

A reading above 50 indicates that the Houston economy is generally expanding; a reading below 50 indicates that it is generally contracting.

The NAPM-Houston Business Report began publication in January 1995.  
**Subscriptions to the report are available through NAPM-Houston.**  
 NAPM - Houston, Inc. is an affiliate of the Institute for Supply Management  
 Copyright 2009-10 by NAPM-Houston, Inc. All Rights Reserved



**NAPM-Houston, Inc.**  
P. O. Box 771203  
Houston, TX 77215-1203

**Address Service Requested**

## January 2010 Dinner Menu

Caesar Salad  
Roasted Pork Tenderloin  
Buttered Parsley Potatoes  
Mixed Grilled Vegetables  
Rolls with Whipped Butter  
Devil's Fudge Chocolate Cake  
Iced tea and Coffee

Vegetarian dinners available upon request.  
Please notify us at the time your reservations are made.  
You must request an alternate meal in advance.

### **NAPM - Houston, Inc. - Policy Statement**

NAPM-Houston, Inc. shall conduct all association functions in a professional manner, and without malice or discrimination, by word or action, with relation to race, religion, national origin, color, sex, age, or disability. Anyone who feels an offense against them has transgressed, or has infringed upon, or violated their protection under this policy, should contact any member of the Board of Directors Executive Committee for resolution under the established rules and regulations adopted by NAPM-Houston, Inc. Board of Directors.