



Houston Buyline

Volume 8: Issue 6

March 2002

NAPM-Houston, Inc.

President's Message - March 2002 - "Pay It Forward"

By Kimen V. Metzger, C.P.M.

Prior to writing this message, I sat and looked at prior years of PUMA News (for the new members this is what we used to call our monthly newsletter) looking for inspiration for another newsletter article. I saw photo's of dear friends now gone, Arnold Yauch and Billie Jean Sommer, who gave us their leadership, their friendship, and shared their inspiration to make excellence in everything we do a way of life. Their memories still shine in the hearts of many. There were articles written by people who were active when I became a member like Doug Miller, Kathy Silverberg, Sharon Malkovicz, Gary Lyon, Dan Coleman, Lu Bergstrand, and Doc Stelzer just to name a few. They are still active today, working and believing not only in building a better profession and a better association, but most important a better individual. I realize how grateful I am to those who acted and became an instrument to help me become a better person. Then I watched the movie, "Pay It Forward", where an 11 year old boy's Social Science project to help the world become a better place was to do something to help three people and they in turn were to help three others and on to the next. The pyramid effect, though obscure at the moment, traveled and touched lives all across the country. Are you getting the message? I have been accused of being naïve and the eternal optimist. Perhaps and now I remain so by choice. I truly believe in the "magic" of the human spirit, the power to change lives, and the manifestation of goodness. How Americans have banded together to recover from the tragedy and loss from 9-11 is a prime example of this.



There is a message for us in everything we see, feel, think, and do...if we just allow ourselves to be open. In previous messages I've talked about our profession, our organization, the benefits of leadership, and the goals and standards by which we interact every day. I implore you to take that opportunity to make a difference.

"A person's success can be measured by what they put into it, what they get out of it, and who they help along the way."

March Speaker - Marilyn Gettinger, C.P.M.

By Linda Love, C.P.M.

"Communicating with Senior Management". This topic is urgent for every supply professional.

- Who has a senior management (that means all of us)?
- Who can't seem to get that well earned respect?
- Who feels senior management is from Jupiter and Purchasing is from Mercury?
- Who wants to get promoted and make more money (that means all of us again)?
- Who wants appreciation from those internal customers (that means all of us again)?
- Who wants to be called a strategic thinker (that means all of us if we don't want to be extinct)?

Join us on March 12 for dinner and tips on a new way of communicating. We promise you will go back to your desk the following morning with:

- An Understanding of Senior Management Lingo (dollars, cents, percentages, bottom line).
- New Ways to Show Savings
- Tips on Proving Supply's Importance
- Steps in Selling Procurement Ideas to both Senior Management and Internal Customers
- Supply's relationship and impact on the Mission, Objectives, Goals, and Challenges of the Organization.
- Models for immediate use.

Our speaker is Marilyn Gettinger, C.P.M. Marilyn has over 20 years of experience in materials management in the cosmetic, pharmaceutical, and medical industries. Presently, she customizes training and develops workshop ideas for organizations going through change. Her workshops provide timely information in the procurement, inventory management, and distribution fields enabling participants to implement new systems in their own businesses. Marilyn holds an MBA in Management and is an adjunct professor in Bloomfield College's Materials Management Program.





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kimen.metzger@compaq.com

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wayne.auzenne@domco.ca

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linda.l.love@exxonmobil.com

Lynne S. Taylor
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lynne.taylor@aramcoservices.com

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joy.bridwell@airliquide.com

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sebrauner@ondeo.nes.com

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elewis@texaschildrenshospital.org

Marian Nimon
UT MD Anderson Cancer Center.
mmimon@mdanderson.org

Mini Trade Fair

In Celebration of March as National Purchasing Month, NAPM-Houston will host our Annual Table Top Mini-Trade Fair Extravaganza.
March 12, 2002
NOTICE SPECIAL TIME: 4:30pm

James O. Cox Award Nominations Due

The 2001-2002 James O. Cox Outstanding Member Award will be presented at our June dinner meeting. We need your help to determine the deserving recipient and now is the time to advise your choice! Please contact Doc Stelzer for a nomination form. Email: docstelz@swbell.net

GOLF VOLUNTEERS NEEDED!

The NAPM-Houston Annual Golf Tournament is set for Thursday, May 23, 2002 at the Cypresswood Golf Club. We need volunteers to help make this year's tournament a success!

Sign up to play golf, donate prizes or gift certificates, recruit companies to sponsor holes. The best way to find out how you can help is to call or email the Special Activities Committee. You can reach Joy Bridwell at 713 215-8871 or email joy.bridwell@mustangeng.com



Newsletter Staff

Lynne Taylor
Chair/Editor

Rashid Khalfe
Co Chair

Valerie Cross
Senior Photographer

Becky Dorn
Executive Consultant

The Public Relations Committee of NAPM-Houston, Inc publishes the Houston Byline twelve times a year, January through December. This newsletter is provided to all association members. All comments, inquiries, and suggestions are welcomed and may be submitted to Houston Buyline, P O Box 771203, Houston, TX 77215-1203, or directly to the editor by fax (713-432-4439), or e-mail (lynne.taylor@aramcoservices.com). Also check out our worldwide website at www.napmhou.org.

News & Notes

If you have 'news' or 'notables,' contact:

Camillia Ward
Emerson Process Management/Daniel Division
Phone: 713 827 5165
Fax: 281-518-3822
e-mail: cward@danielind.com

NEW MEMBERS

Would you like to win a FREE meal?
Register at our New Member table prior to our March meeting for a FREE dinner in April!

March Tenure

By Mercedes Howell

15 Years
Walter "Walt" W. Jenkins

10 Years
Danny G. Gueho, Sr. C.P.M.
Roger Harman
Steven C. Flurett C.P.M.

5 Years
Robert "Mike" Miles
Cynthia E. Whitworth
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CHECK US OUT ON LINE AT
www.napmhou.org OR www.napm.org.





UPCOMING C.P.M. REVIEW SEMINARS

NAPM-Houston's Pro-D committee will be offering 2 C.P.M. Review seminars during 2002.

The dates and tentative information are listed below. Please check the Pro-D page on NAPM-Houston's web site at www.napmhou.org and future issues NAPM-Houston Buylines for additional details, as they become available.

Your best source for accurate, up to date information concerning the certification program and exams is always ISM's web site at www.ism.ws.

Saturday May 18, 2002

7:30 AM - 5:00 PM

C.P.M. REVIEW w/DIAGNOSTIC DISCS

This program will be held at the University of Houston Downtown campus.

The review will allow attendees to practice by taking the computerized versions of up to 2 modules of the exam in an atmosphere similar to the actual testing atmosphere. There will be discussion sessions after the testing to review questions and answers that will give attendees an opportunity to discuss topics and better understand some of the sample exam questions.

The actual number of exam discs we have available will limit the number of attendees and registrations will be taken on a 1st come 1st serve basis only.

Registration forms will be available on NAPM-Houston's web site by the end of February and will also be available at the March and April general meetings.

Friday - Saturday October 18 - 19, 2002

8:00 AM - 5:00 PM

PRESENTED BY DR. RUSSELL MOREY

This will be a traditional classroom style review seminar. Attendees will have the choice of attending on Friday for modules 1 and 2, Saturday for modules 3 and 4, or both days which will cover all 4 modules.

No other details have been confirmed for this program yet but registration forms should be available sometime during August or September.

THE LEGAL ASPECTS OF PURCHASING

UNIVERSITY OF HOUSTON - CLEAR LAKE CO-SPONSORED SEMINAR

MONDAY - TUESDAY MAY 20 - 21, 2002

This workshop provides straightforward answers to critical legal questions as well as responses to everyday legal subtleties of purchasing. Attendees will gain valuable "how to" skills to enhance your career and protect your organization from legal liabilities.

For additional information or to register for this seminar, the Center for Advanced Management Programs (CAMP) at the University of Houston Clear Lake at (281) 283-3121.

ESSENTIALS OF PURCHASING

UNIVERSITY OF HOUSTON - CLEAR LAKE CO-SPONSORED SEMINAR

WEDNESDAY - THURSDAY MAY 22 - 23, 2002

This workshop will deal with solid, put-it-to-use, practical materials based on vast experience and proven methods. You will find the answers you need in just two days at this seminar -getting the best deals from suppliers, understanding the supply chain concept, implementing the Procurement Card, inventory valuation techniques, and much more.

For additional information or to register for this seminar, the Center for Advanced Management Programs (CAMP) at the University of Houston Clear Lake at (281) 283-3121.





National Association of
Purchasing Management - Houston, Inc.
PO Box 771203 - Houston, Texas 77215 -1203

NAPM - HOUSTON BUSINESS REPORT

by Douglas R. Miller, C.P.M.

February 11, 2002

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713-988-7306

IS THE ECONOMIC DROP OVER?

PMI POINTS UPWARD

SALES DOWN, BUT IMPROVING

January's PMI (Purchasing Manager's Index) seems to provide substantial evidence that Houston's economy has reached the bottom of its current, short-lived slide into contraction. The PMI for January is 47.5, compared to December's 46.1 and marks only four months since the index fell below the break-even point of 50. Could Houston return to a growth pattern as early as 60 to 90 days from now? The numbers reported for January imply a clear possibility of an early return to economic growth, maybe before the end of the first half of 2002.

The Sales component of the PMI was perhaps the most positive indicator in the January PMI. The number of survey respondents reporting fewer Sales in their firms dropped by 1/3 from December. Not all of those contributors witnessed Sales increases in the past thirty days (some saw no change), but for the second successive month there has been no further erosion of Sales numbers, and in fact, some improvement.

Employment, although still decreasing overall, maintained the numbers reported in December, including the 70% of survey respondents who saw no change in job numbers in the past month.

Production and Lead Times were also reported as having seen little or no change in January from the levels reported a month earlier. More survey participants reported slight increases and slight decreases in their Production levels with the "unchanged" column falling.

Purchased Materials inventory and Finished Goods Inventory were reduced again in January, as they have been for almost all of the past three and a half years, but at about the same rate of depletion as was the case in December.

Prices Paid was the component that contributed most noticeably to the rise in the PMI in January, however, that significant change (-23 in December, to 0 in January) likely was spiked by a round of price increases that were previously announced for launch in January. It remains to be seen whether all those increases will stick. In some soft areas of the economy they may not. Potentially, Prices Paid could weaken in the next thirty to sixty days, however, all other areas of the PMI appear to point to flattening, with improvement just ahead.

Items in short supply: Nickel alloy, quality tools, hydraulic power units, vaccines, castings, electronic components, hydraulic valves, actuators and components, specialty valves, specialty machining.

Prices on the UP side: Small quantity orders, taps, end mills and other tooling, electrical components, hydraulic winches, electric winches, MMR & Tripedia vaccines, electronics, castings, electrical components, machined carbides, UPS rates, FedEx rates, forgings, tubing, running services, freight, steel, polystyrene, polypropylene, PVC.

Prices on the DOWN side: Stainless steel, some plastics, MRO materials, small corrugated box sizes, structural steel & stubbing, flat bar, paper products, PC's & components, steel, nickel & titanium materials, electronic circuit board assemblies, OCTG, used tubing, diesel fuel, capital equipment (PC's & Copiers), calcium carbonate (limestone & marble), TID2, sea freight, nylon, poly carbonate.





Comments from Survey Participants

“Incoming orders for Jan. looking better than December, but still not that good.”

“We are seeing some relief from the international side of the business. Domestically, the 3rd QTR is starting to be the target for business as usual.”

“Looking at increases (in price) for some stock items to 4%.”

“No orders coming in. Business does not look good for near future.”

“At year end, here comes the automatic price increases. Still I question everything, reject the increase and demand price reductions. Somehow, last year’s price is maintained. Suppliers must justify everything.”

“A few foreign orders, none for domestic oil service companies. Hiring freeze.”

“We are holding-on, waiting for the upswing.”

“Expect a slow Q1 with gradual increase in sales for spare parts. New unit sales are off. Expect overall 15% decrease in sales for 2002. Hiring freeze is on.”

“Customer inquiries are still coming in strong indicating good business still out there. We have recently lost some significant orders, however, due to intense competition from the Far East that we haven’t seen in quite some time.”

“January order rate noticeably higher than Q4 average - high hopes of a sustained improvement.”

“Not quite sure how, but we continue to be busy. Fluctuations in Oil & Gas haven’t seemed to “trickle down” to us.”

“Companies lacking the ability to reduce costs are finding it difficult to maintain volume and profit levels.”

“Gas & Oil pricing has everyone preparing for slow-down in Q1 & Q2 - long term prognosis is still very good.”

“Beginning to see things slow down.”

“Flat period affected by holiday season.”

“Orders slowed down the Q4 of 2001, but they seem to gradually be picking up this past week.”

“We are experiencing 2% to 3% across the board increases”

“The 1Q has started off slowly, but the outlook looks good. Worldwide production cuts will impact us favorably.”

“We are limiting over-time hours worked. We plan to scale back hours soon.”

“We will be re-organizing for the next couple of months. Busy, busy!”

“Very healthy sales thus far in January.”

“Seems to be stabilizing on the purchasing side.”

“Sales backlog still down, capital budgets for 2002 dropped from 2001 levels, expect employment and inventory levels to downsize.”

“Starting to deplete backlog. New sales projected based on government release of funds. (Our customers are Universities & Colleges.)”

“Business good - hope it continues.”

JANUARY

Index 2001/2002 (9 months)

	UP	SAME	DOWN	N/A	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN
Sales	25%	31%	35%	09%	+28	+27	+15	+12	+09	-24	-14	-15	-10
Production	15%	34%	31%	20%	+13	+21	+14	+08	00	-14	+04	-14	-16
Employment	05%	70%	25%	00%	-04	+19	+16	+18	+08	-10	-20	-20	-20
Purchases	24%	32%	44%	00%	+15	+41	+15	+10	-05	-12	-20	-29	-20
Price Paid (Major Purchases)	13%	74%	13%	00%	+22	+08	+15	00	+06	+05	-18	-23	0
Lead Times (from Sellers)	13%	74%	13%	00%	+17	+17	+33	+16	+15	+01	-03	-03	0
Purchased Inventory	04%	31%	29%	36%	+02	+02	-06	+04	-02	-15	-22	-23	-25
Finished Goods Inventory	13%	33%	27%	27%	-06	-15	-22	-06	+03	-27	-17	-18	-14

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

NAPM - Houston	02/01	03/01	04/01	05/01	06/01	07/01	08/01	09/01	10/01	11/01	12/01	01/02
Composite PMI	61.9	60.3	61.7	55.8	59.5	58.5	54.6	51.9	48.6	48.1	46.1	47.5

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





Globally Speaking

By Wayne Doyle

Global Resources held a luncheon on February 20th, 2002, hosted by ABB. The speaker, Jeff Mitchell, a Field National Import Specialist for US Customs, spoke briefly about Customs rules and regulations, especially regarding importation. During the remainder of his talk, he answered questions from the attendees. It was a great opportunity to hear knowledgeable responses to questions we face every day in international business. For those new to goods importation, Mr. Mitchell provided valuable information for helping us get started correctly.

The goal of all luncheon meetings of the Global Resources Group is to provide information, which can be used to save or avoid costs in our daily activities as procurement specialists. These meetings are open to all NAPM members and their guests. You can even invite someone not in your company - perhaps this would be an incentive for them join ISM

If your company has a Department Training Initiative, they may allow you credit for attendance at this type of informative meeting. They might even buy your meal. You'll never know till you ask.

Please check the website for future Global Resource luncheon meetings and plan to attend. We'd love to see you there! For information on the Global Resources Group please contact Wayne Doyle at Wayne.doyle@us.abb.com

Current Company Coordinators

By Carlene Jackson

Below is the latest list of Company Coordinators for 2002. Please take a look and advise if there are any changes we should be made aware of. Feel free to contact me if you have ANY questions (or revisions). Email: c.jackson2@ssss.com / Tel: 713-803-0613

COMPANY COORDINATORS - 2002

Administaff, Inc.
 Alcon Laboratories
 American General Life
 Anadarko
 Aramco Services Co.
 Ashbrook Corporation
 Baker Hughes Inteq
 Compaq Computer Corporation
 Conoco Incorporated
 Cyberonics
 Daniel Measurement & Control
 Dynege, Inc.
 3P/EGC Corporation
 El Paso Corporation
 Enron Corporation
 Equilon Enterprises
 Exxon Upstream Technical Computing
 Fluor Daniel
 Grant Prideco
 HISD
 Hydril
 Igloo Products
 Integrated Trade Systems
 Marathon Oil Company
 Memorial Hermann Hospital
 Metro Transit Authority of Harris Cty.
 Mitsubishi Caterpillar Forklift
 Phillips Petroleum Co.
 Pitney Bowes Management Svc.
 Schlumberger
 Schlumberger (ESC)
 Shell
 Smith International, Inc.
 Solar Turbines, Inc.
 Stewart & Stevenson
 Texas Children's Hospital
 Unocal Corporation
 UT M.D. Anderson Cancer Center
 VALIC
 Waste Management
 Williams Gas Pipeline

Sandra Mosley
 Elaine Kunnecke
 Cindy Holchak
 Bridget McIlveene (Admin.Assistant - non-member)
 Lynne Taylor
 Sharon Hoffman
 Beverly Hughes
 Veronica Lyne
 Carolyn Saul (non-member)
 Brian Foster
 Camillia Ward
 Mercedes Howell
 Lorna Sadler
 William Davidson
 John Will
 Sonja Webb
 Linda Butler
 John March
 Steven Ladner
 Stephen Pottinger
 Vivian Hensley
 H. Ted Buehring
 Jorge Cardenas
 Bentley Tolbert
 Elouise Johnson
 Paul Como
 Pat Hilgert
 Shiela Baker
 Wendi Bailes
 Olivia Riviera
 Gary Lyon
 Mike Harrington
 Dean Hickman
 Marian Popp
 Carlene Jackson
 Ed Lewis
 Robert Hacke
 Marian Nimon
 Lin Peterson
 Herman Salavar
 Ed Wahowski





Membership Activities Committee

We would like to welcome the following new members approved January 15, 2002.

Name	Company
Linda Akiens	The University of Texas MD Anderson Cancer Center
James Christian Alexander	Lyondell-Citgo Refining LP
Carolyn M. Anderson	Phillips Petroleum Company
Susan Gail Barnett	The University of Texas MD Anderson Cancer Center
Carol Beal	Schlumberger
Amanda L. Becher	Enron Transportation Services
Bronson Bernhard	The University of Texas MD Anderson Cancer Center
Thomas A. Brooks	Schlumberger
Sally Cain	Halliburton
Frederick Carr	Phillips Petroleum Co.
Max R. Casada	Conoco, Inc.
Linda S. Christopher	The University of Texas MD Anderson Cancer Center
R. Karen Clark	The University of Texas MD Anderson Cancer Center
Debbie Coberley	AIG Global Sourcing
Michelle M. Crandall	Inventsys Systems
Richard D. Dunham	Phillips Petroleum Co.
Danny V. Diaz	Compaq Computer
Joe M. Elkin	Halliburton
Derek Forfang	Chevron Phillips Chemical Company LP
Gregory K. Franklin	The University of Texas MD Anderson Cancer Center
Paul Gremillion	Baker Energy
Joyce Hays	The University of Texas MD Anderson Cancer Center
William E. House	The University of Texas MD Anderson Cancer Center
Mitchell D. Le Blanc	Halliburton Company
Paul J. Luckney	Cooper Cameron Valve
Debra McCray	Equiva Services LLC
Dwight McKenzie	Marathon Oil Company
Victor Martinez	Inventsys Systems
Jamie Molina	Integrated Trade Systems
Kimberli Musquiz	DOMCO
Elizabeth Nellar	The University of Texas MD Anderson Cancer Center
Andrew W. O'Neill	Conoco, Inc.
Tammy Peek	Equiva Services LLC
Jay D. Pendergrass	Dynegy
Andrew R. Perry	Stewart and Stevenson
James Phifer	Landmark Graphics Corp
Janice Phillips	Compaq Computer Corp
I. Olivia Riviere	Schlumberger
Israel Ramirez	The University of Texas MD Anderson Cancer Center
Elsa J. Reyes	The University of Texas MD Anderson Cancer Center
Ingrid Robinson	Pennzoil-Quaker State Company
Ralph Sailer-Hellendag	Stewart & Stevenson
Renita L. Scroggins	Lyondell-Citgo Refining LP
Karen Sjoberg	AIG-Global Sourcing
Bruce G. Smith	Schlumberger
Larry K. Souders	Phillips Petroleum Co.
Sandra Surma	Southwest Bank of Texas
Cindy Tan	Schlumberger
Deborah Trevino	Duke Energy
Brad Troup, C.P.M.	Marathon Oil Company
Daniel A. Verastequi	Duke Energy
Tim V. Weaver	Phillips Petroleum Co.
Patricia (Pat) Wilke	Lyondell-Citgo Refining LP
Kim Wren	Southwest Bank of Texas

“MARCH IS PURCHASING MONTH”





March Menu

Grilled Ribeye Steak
 Chef's choice of salad, vegetables and starches
 Choice of Black Forrest Torte or New York Cheesecake
 Coffe, Tea, Water
 Dinner rolls

Vegetarian and chicken dinners available upon request. Please notify us at the time your reservations are made.

General Meeting

March 12, 2002

SHERATON HOUSTON BROOKHOLLOW HOTEL

3000 North Loop West

Times:

4:30pm - Mini Trade Fair

6pm - Dinner

7pm - Program

8:15pm Adjourn

\$25 R.S.V.P. by March 7th at 5pm to Ed Wahowski

Phone /Fax: (281) 494-8670

Email: napmhou@pointecom.net

Dinner reservations are due Thursday, March 7th 5:00pm with cancellations no later than Friday, March 8th by 5:00pm.

Dinner cost has increased to \$25.00 with reservation, \$27.00 at the door without reservation.

Return Service Requested

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 P.O. Box 771203
 Houston, TX 77215-1203

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