

Houston Buyline

June 2003

NAPM- Houston, Inc.
Volume 8 - Issue 6

June Speaker: Theresa Behenna

**Topic: "The Power Of Words:
If Talk Is Cheap Then Show Me The Money!"**

By Linda Love, C.P.M.



*S*parkling Australian pianist Theresa Behenna has turned from tickling the ivories into tickling the funny bones of people who need a simple solution to complex communications. As a keynote speaker and world-class musician, Theresa has hilarious INSIDE STORIES OF CELEBRITIES involving 'open-mouth-insert-foot' bloopers that she has transformed into personal and professional success! Some of her international experiences with famous people include Princess Grace, James Bond, Andrew Lloyd Webber and

Elizabeth Taylor.

By customizing each presentation, researching the group and interacting with the audience, Theresa demonstrates the cost of negativity in the work place and how to change, benefit and profit by carefully choosing the words we use. She proves by example that using vision, together with the power of words, we can help shape our reality for a more successful life. Audience members are inspired to face their own challenges and goals and learn how to achieve them through the power of uplifting words.

Theresa has been described as "one of a kind!", "a hoot!", "dynamic!", "powerfully poignant!" and "a refreshing change!" Theresa's musical talent, worldly travels and spontaneous wit combine to make an entertaining keynote that is highly energetic, unique, motivational, and lots of fun! With her "funny accent" and piano keyboard, she provides a memorable difference to a program as SHE WRITES A SONG ESPECIALLY for each group to sing along. Using LIVE MUSIC and AUSSIE HUMOR, she educates people about how to win in their everyday lives by using the powerful impact of uplifting words. Theresa brings a new perspective from Down Under to talking smart in America!

Don't miss the June 10th New Officer Installation Dinner and Keynote Address. It will be FANTABULOUS!

IMPORTANT ANNOUNCEMENT

All membership applications and invoices should be directed to the following address, as well as requests for information regarding membership and dues. Also, the NAPM-Houston and ISM databases will be coordinated through this address; this includes all database data changes for members; name, company, company address, mail box, business phone, business fax, business email, home address, home phone, home fax, cell phone, home email, and mail preference.

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The National Association of
Purchasing Management -
Houston, Inc.

Requests your presence

At the
Eighty-third installation
of officers
For 2003-2004

Honoring

President Marian T. Nimon, C.P.M.

On

Tuesday, June 10, 2003
5:30 p.m. Social
6:00 p.m. Dinner

At the

Sheraton Houston Brookhollow
3300 North Loop West

Spouses and friends invited
Dinner \$27.00 per person

Reservations required by
June 5th

Call 281-494-8670

or e-mail to

napmhou@pointecom.net

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The Public Relations Committee of NAPM-Houston, Inc. publishes the Houston Buylines twelve times a year, January through December. This newsletter is provided to all association members and District II and VII Public Relations Chairpersons via email. All comments, inquiries, and suggestions are welcomed and may be submitted to *Houston Buylines*, PO Box 35698, Houston, TX 77235-5698, or directly to the editor by fax: 713-432-8244, or e-mail: lynne.taylor@aramcoservices.com. Also check out our worldwide website at www.napmhou.org.

News & Notes

By Marian Nimon, C.P.M.

Congratulations to our new & recertified recipients of A.P.P. and C.P.M.

Kurt Austin, C.P.M. Original Certification

Tenured NAPM Members

Kathy E. Silverberg, C.P.M. 15 years
Gwen L. Garey, C.P.M. 10 years
Oscar Vogel 5 years
Brian Garbutt 5 years
Rob Lair 5 years
Jimmie R. Gabucci, C.P.M. 5 years
James W. Clark 5 years
Leonard G. Koenig 5 years

On the Job Front

- We are pleased to announce that Shana Carrillo of Hydril Company has been promoted to Senior Buyer.

In Sympathy

- Our deepest sympathies go out to Sheila Baker, A.P.P. of Conoco Phillips who lost her grandmother in April. Sheila is the chair of NAPM-Houston's Professional Development Committee.

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

Mike Valant, C.P.M., A.P.P.

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Business Survey Committee Holds Annual Luncheon

By Doug Miller, C.P.M.

The Business Survey Committee held its fifth annual "Appreciation Luncheon and Roundtable Discussion" on May 6, 2003 at the "Taste of Houston" restaurant. About twenty-five survey contributors attended the luncheon. NAPM-Houston officers and directors were also invited as guests of the committee and several attended. The committee co-chairs, Doug and Cathy Miller, reported at the luncheon on several aspects of the report, among them: The status of media interest in the report; recent presentations made to various business groups regarding the report and the condition and direction of the Houston economy; current efforts to publicize the report and NAPM-Houston; and recent inquiries regarding subscriptions to the report.

As the NAPM-Houston Business Report enters its ninth year of publication, sincere appreciation was expressed for the consistent monthly responses of survey participants, whose faithfulness make the report possible.

Emphasis was noted regarding the need for new survey respondents since several contributors have recently been lost due to job changes and company consolidations. (Anyone interested in participating in the monthly survey should plan on expending no more than five or ten minutes per month and will be enthusiastically welcomed by the committee.)

It was also noted that any NAPM-Houston member can request that a copy of the monthly Business Survey Report be mailed directly to the attention of the CEO, president, COO, CFO or other top executive of the member's firm. Many members have already availed themselves of this service and have found a very favorable response from the top management of their organization. Call Doug or Cathy Miller at 713-988-7306 to add the name of the top executive of your firm to the mailing list.

NAPM - Houston Business Report May 12, 2003

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

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PMI Climbs For 4th Month

Production Up Sharply Employment Still Weak

The Houston economy grew for the fourth consecutive month in April, and at a faster rate than at anytime since July of 2001. The PMI (Purchasing Managers Index) measured April economic activity at 55.0, up from 54.0 in March.

The Production component of the PMI (there are eight components; see below) made a dramatic turnaround after twenty-one months of weak, mostly negative performance and reported +15 for the month of April, up from the -2 reported for both February and March. The percentage of survey contributors reporting increased Production for the past month rose from 18% to 25% while the number reporting decreased production fell from 20% to 10%. The turnaround was not unexpected since the Sales component had registered three months of increases and inventories in most firms are at very low levels.

The next domino to fall should be the Employment component of the PMI. That number has been below break-even for nineteen months, indicating a continuing job loss pattern. Now most firms find themselves at their lowest possible manpower levels and to increase production levels, whether for new Sales orders or to replenish inventory levels, will mean adding headcount. If Sales continue what now appears to be a solid trend, Production rates have to grow, and that growth will not occur without additional hiring - in some firms a lot of hiring.

Purchases of goods and services have been growing in three of the last four months, after sixteen months of reduction in purchase commitments (putting further pressure on Production and Employment levels) and therefore Lead Times are beginning to get noticeably longer. April recorded that longest Lead Time component since September '01.

The Prices Paid index is definitely firming, but even so, sixty-five percent of Houston's professional buying executives reported no change in the prices they paid in the past thirty days.

Inventories are still being reduced overall but by a much smaller percentage as inventory planning begins to change.

Houston is certainly looking stronger economically than at any time in the past two years, even as the ISM national manufacturing index continued to fall in April for the fourth consecutive month.

Items in short supply: Vessel availability/room from China to U.S., bar stock, castings, flu vaccine, hydraulic pumps, chrome pipe/fittings/flanges.

Prices on the UP side: Resins, transformer oil, ocean freight, medical packaging, plastic extrusion's, transportation, insurance, diesel, castings, forgings, electric winches, plastic packaging mat'ls, abrasive media sur-charges, gasoline, vaccines, rubber seals, lubricants, valves (hydraulic) & components, plastic valves/fittings, pump parts, resin based products-polyethylene, etc, bleached paper for bags, chromes/stainless piping products, machine work, co-poly & homo-poly resins, TiO2 (white) pigments, calcium carbonate fillers.

Prices on the DOWN side: Steel, services, gasoline, manufacturing, drills, taps, reamers, computers & components, large fabricated vessels/towers, contract labor rates.

Comments From Survey Participants

- "Customers are proceeding cautiously with new purchases. The market is very competitive."
- "We are not accepting increases."
- "Asia to U. S. container freight is becoming critical, bo0 ptt capacity and pricing, as low shipping margins have taken vessel capacity out of the market. Severe pricing pressures, even before the peak retail shipping season."
- "Another slow month."
- "Seems there is more confusion due to world economy and poor company directions."
- "Given the slow-down in business we have established some long overdue pricing agreements. Due to lay-offs, I'm seeing people switching jobs from buyer to seller."
- "Still cutting costs. All contract employees have been released. There is talk of new projects coming up soon."
- "New orders have increased, requiring lots of overtime."
- "Business is reviving. Inventories are selling. We are in position to make the best of 2004."
- "Time and patience continue to be in short supply."
- "There are no items in short supply-everything is in stock. That's the problem."
- "Working overtime on emergencies only."
- "This is going to be a lean monthshipments probable won't cover operating costs. The projects we are doing are requiring a longer through-put time because of more customizing of our "standard" products."

(continued on page 4)

Comments From Survey Participants

(continued from page 4)

- “We had a very good first quarter. We expect Q2 to be down a fraction and then take off. Year should be very good.”
- “Resin fuel surcharge has been suspended. It lasted 3-4 weeks, just until they were sure the resin increases took.”
- “We saw a brief flash the last week of March, but then it disappeared! April is looking really BAD!!”
- “Another business unit is being sold. The company continues to use asset sales to raise cash/reduce debt.”
- “Doing more work with less people.”
- “Budget for 2003 is about 50% of last year’s expenditures due to company debt reduction & reorganization plans.”
- “Prices are up in services related to logistics where fuel is involved.”
- “Wire-line tool sales have dried up.”
- “Freeze on hiring-capital on hold-not laying off employees.”
- “Appears to be an underlying optimism that funds will be released for projects/more proposal work-unless that is reality by 3rd QTR, prospects are bleak for 2004.”
- “Energy costs being blamed for numerous price increase requests.”
- “Several suppliers are requesting energy surcharges on all purchases.”

April

Index 2002/2003 (9 months)

	Up	Same	Down	N/A	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Sales	33%	33%	19%	15%	+11	-04	-05	-04	-04	+17	+06	+13	+14
Production	25%	44%	10%	22%	00	-08	-11	-08	-15	+02	-02	-02	+15
Employment	10%	68%	19%	00%	-04	-04	-11	-04	-15	-05	-15	-10	-06
Purchases	31%	44%	25%	00%	-05	-07	-16	-11	-22	+11	-05	+02	+06
Price Paid (Major Purchases)	29%	65%	06%	00%	+04	+10	-02	-04	-04	-02	13	+27	+23
Lead Times (from Sellers)	15%	85%	00%	00%	+12	+08	-02	+07	-01	-06	00	+06	+15
Purchased Inventory	15%	30%	17%	38%	-12	-00	-13	-20	-24	-16	-11	-10	-02
Finished Goods Inventory	15%	27%	29%	29%	-17	+04	-19	-18	-10	-17	-13	-25	-14

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

NAPM - Houston	05/02	06/02	07/02	08/02	09/02	10/02	11/02	12/02	01/03	02/03	03/03	04/03
Composite PMI	51.1	52.3	51.3	53.0	48.8	49.0	50.7	47.9	53.4	51.0	54.0	55.0

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

Professional Development Committee Buyline Articles - for June, 2003

ISM Satellite Seminar

Reengineering MRO Procurement to Impact Your Organizations Bottomline

The procurement of maintenance, repair and operating supplies is often overlooked as a source of cost reduction. These small-dollar, high-volume items can represent an excellent opportunity for attaining large cost savings. This program explores how to leverage your MRO spend for significant cost savings as well as tools and technology to manage this overlooked commodity.

Date: June 12, 2003

Time: 9:00 AM - 1:30 PM (Please arrive around 8:15 AM for sign-in)

Program Length: 4 Hours (There will be a 30 Minute break starting at 11:00 AM)

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

Cost: No Charge

Security measures at Aramco Services Company require advance registration; if you are not registered you will not be able to attend.

Upon sign-in on the morning of the seminar you will be required to present two (2) forms of picture ID and show proof of company and/or student affiliation.

To Register Contact: Dora Valdez, email: dora.valdez@aramcoservices.com
Phone: (713)-432-4174 / Fax (713)-432-8402
or register on-line through the NAPM-Houston website.

The Student’s Corner

Student Supply Chain Management Association (SSCMA)

The student’s have elected their fall 2003 officers.

President – James Magee

Vice President – Naveed Ismail

Secretary – David Myers

Treasurer – Gergana Anguelova

(continued on page 5)

Graduations

- Congratulations to Nancy Reingold and Lin Peterson who graduated in May.
- Congratulations to Nancy Reingold, Naveed Ismail and Matilda Green for being awarded the NAPM-Houston/UH-D 2002-2003 Student Scholarship Award. Both Nancy and Naveed were awarded full scholarships while Matilda, a purchasing minor, was awarded a partial scholarship.
- Congratulations to Lee Jeffries and Rose Berberian for taking advantage of the 2002 – 2003 NAPM-Houston Tuition Reimbursement program.
- Congratulations to Naveed Ismail and Jeff Magee for being accepted to represent the University of Houston-Downtown as a Student Ambassadors at the NEDA Project Host activities at EDS2003. The Electronic Distribution Show (EDS) is the world's largest show for the electronic distribution industry. The show will be held in Las Vegas at the Hilton Hotel. Dr. Gary Stading will be attending with the students as the faculty sponsor.

Certification – Now more important than ever

Taken from the ISM website

Budget and staff cuts have become a way of life for many organizations; at the same time, employees are expected to achieve better results with fewer resources. Fortunately, knowledgeable supply management professionals have the ability to positively impact the financial results of any organization.

Certification is critical today, as expectations of the role of supply managers in business and industry increase. Supply professionals, like all professionals, need to regularly improve their skills, and certification is an excellent springboard from which to begin. ISM's certification program provides a "big picture" view of the field of supply management, and significantly broadens the scope of vision for any supply professional.

It is more important than ever for supply management professionals to commit to earning and maintaining their C.P.M. or A.P.P. designation. While pursuing their designations, supply professionals are exposed to a wide spectrum of knowledge specifications, which in turn helps them develop thinking and problem-solving skills.

Certification is an objective measure of knowledge and experience, and ensures a certain level of expertise and skill. Earning a C.P.M. designation builds credibility for the individual, and the organization. An organization supporting the C.P.M. and A.P.P. programs underscores its commitment to professionalism.

Our goal this year is to have 40 new C.P.M.'s and 8 new A.P.P.'s. To date we have 22 new C.P.M. recipients and 6 new A.P.P. recipients. Why not certify today? See the NAPM-Houston website at www.napmhou.org for more information or visit the ISM website at www.ism.ws

Join us for the next C.P.M. Review session, Saturday, August 23, 2003 at the University of Houston-Downtown. We will bring you more registration information as the date grows nearer.

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.



M E N U

*June
Dinner Menu*

Caesar Salad

6 oz. Bacon-wrapped Filet

2 Grilled Shrimp

New Potatoes

Medley of Vegetables

Choice of Dessert:
Apple Pie or White Cake

Ice Tea - Coffee - Wine

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



General Meeting

June 10, 2003

Sheraton Houston Brookhollow Hotel
3000 North Loop West

Times: 5:00 pm – Pre-Meeting
6:00 pm – Dinner
7:00 pm – Program
8:15 pm – Adjourn

\$25 R.S.V.P. by June 5th 5pm to Ed Wahowski
Phone /Fax: (281) 494-8670
napmhou@pointecom.net

Dinner reservations are due Thursday, June 5, 2003 by 5:00pm with cancellations
no later than Friday, June 6th by 5:00pm.

Directions: I-45 to 610 West to T.C. Jester Exit – Hotel on Right

Important Announcements:
Dinner cost is \$25.00 with reservation, \$27.00 at the door without reservation.

Dinner Meeting Update

Please remember that the dinner meeting starts promptly at 6:00 p.m. Late arrivals, arriving after 6:15 p.m., will no longer be served dinner. It is important that we be respectful of others and not disrupt the flow of the evening. This change will take effect at the next NAPM dinner meeting.