

Houston Buyline

March 2004

NAPM- Houston, Inc.
Volume 9 - Issue 3

Presidents Message

By Marian Nimon, C.P.M.

Spring is in the Air

Spring is in the air and it's time to plant seeds for your growth.

Have you checked out the 15th Annual North American Research and Teaching Symposium on Purchasing and Supply Chain Management? The conference will be held March 25 - 27, 2004 in Tempe, Arizona.

In addition, ISM's 89th Annual International Supply Management Conference is just around the corner. This year's annual conference will be held in Philadelphia from April 25 - 28. Featured speakers include Dick Conrad, senior vice president, Hewlett-Packard (HP) Global Operations, Supply Chain, will present "Our Future Supply Management Lies in



Today's Corporate Consciousness." David K. Foot, professor of economics at the University of Toronto, will present "It's All in the Demographics." J.T. Battemberg III, chairman, CEO and president of Delphi Corporation, the world's largest maker of automotive and transportation electronic systems, will speak on "Collaboration, Partnerships and Success." Featured presenter and Olympic medalist, writer, speaker and athlete Bonnie St. John will share inspirational stories in her keynote address "Winners Get Up Faster."

Ensure your place at the ISM 89th Annual Conference. Visit ISM's Website at www.ism.ws for complete registration, hotel and travel information.

Take a look at what ISM has to offer on a national and regional level. Check out NAPM-Houston's Website www.napmhou.org for local educational programs. Be the master of your own destiny and be proactive, not reactive. You owe it to yourself!

March Speaker: Karen McCullough

Karen McCullough has dedicated her life to helping people connect to their ability, potential, and talents. Karen's philosophy is that success is easy; it just takes all that you've got. To be successful, you have to use what you've got. All of it! It's as simple as that.

Karen is an expert on product development, and you are the product. Karen works with organizations, executives and individuals that are ready to invest in themselves, identify their strengths, and move up to the next level of success. Her experiences and unique sense of humor allows her to get real with her clients and audiences.

She believes that the key ingredient in any successful organization or business is the PEOPLE. It's the attitude and the energy of the people that makes or breaks a business. Karen focuses on showing people how to increase their credibility, leadership capabilities and overall professional presence.

In 1981 Karen opened a small clothing store on the corner of "nothing and nowhere" in Houston, Texas. Within 10 years the business grew into a multi-million dollar chain of four stores. In 1997 she sold the business, became a consultant, and did it again...for her competitor.

Karen's key to success was her clear branding strategy. She quickly created

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The Public Relations Committee of NAPM-Houston, Inc. publishes the Houston Buylines nine times a year. This newsletter is provided to all association members. All comments, inquiries and suggestions are welcomed and may be submitted to **Houston Buylines**, P. O. Box 35698, Houston, TX 77235-5698 or directly to the editor at e-mail: lapeters@texaschildrenshospital.org. Also, check out our worldwide website at www.napmhou.org.

News & Notes

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

Newly Certified / Recertified C.P.M., A.P.P.

Randal Crouch, C.P.M.Lifetime Certification
Les R. Anderson, C.P.M.....Original Life
James Brecker, C.P.M.....Original Life
Alison Beckett, C.P.M.....Recertification

February Tenures

Laurie Oberhoff - Awards Committee Chairman

5 Year

Matthew Brickey
Leah Davis, C.P.M., A.P.P.
Ronald W. Reese

10 Year

Janet M. Latiolais
Debra A. Newman

Supplier of the Year Awards

Nominations have been received for all the three awards for the 2003-04

- ✓ Supplier of the Year
- ✓ Inside Salesperson of the Year
- ✓ Outside Salesperson of the Year.

The winners will be announced and presented plaques during the March 9th, "Purchasing Month/ Mini-Trade Fair" General meeting.

"Thank You" for submitting your nominations. Please remember to make your reservations to attend this meeting to congratulate our winners.

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

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

Hewlett Packard Company

281 518-8575 • Fax: 281 518-5707

Mike.Valant@hp.com

March Speaker (continued from page 1)

a unique brand for her stores, by studying the branding genius of retail guru Ralph Lauren. She now has transitioned from selling and marketing to teaching the success principles that she used to create her multi-million dollar business. To help her audiences reach their next level of success, Karen shares with them the principles that she used to build her business - clarity, consistency, and trust.

Karen is a dynamic sought after speaker who regularly addresses business and professional organizations on a variety of communication related topics. Karen has been quoted in the Wall Street Journal, BusinessWeek, Houston Business Journal, and The Cleveland Plain Dealer.

Some of Karen's clients include JP Morgan Chase, Sun Microsystems, BP, Jacobs Engineering, MD Anderson Cancer Center, and the Houston NFL Cheerleaders-The Texans.

Karen spends her free time working with a variety of women's organizations: Dress for Success, The Women's Home, The Women's Center at HCC, and she is working on a project with Women Against Violence. She is committed to helping women.

NAPM - Houston Business Report January 12, 2004

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

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Employment Gains for 2nd Month

Sales, Production Spurring

Restocking Beginning

Houston's economy is picking up where it left off in 2003, with the PMI rising in January to its highest level since July of 2001. January's PMI of 58.3 represents an 8% improvement over December's 54.2 and a 22% increase over the 47.9 PMI recorded in December '02.

The Employment component of the PMI rose in January for the second consecutive month after 26 months of losses. Seventy-five per cent of Houston's purchasing executives reported no change in staff levels for the month, appearing to signal that the job evaporation that has plagued Houston for over two years is now nearly behind us. A rapid development of new jobs is not expected, but with Sales and Production numbers growing significantly more hiring is soon to follow, with acceleration likely to continue over the next several months.

The Sales and Production indices both rose notably in January to levels not seen in Houston for nearly three years. Only 15% of survey respondents reported less Sales in January than in December and only 8% of contributing firms had lower levels of production in the last thirty days than in the prior thirty.

Purchases also made meaningful gains in January with half the number of those surveyed reporting less purchases made than reported lower buying in December. Only once since June 2001 has the current level of Purchases been equaled.

Not surprisingly, Prices Paid moved up noticeably in January, according to procurement pros, although two-thirds of those reporting witnessed no change in prices for the month. One area of serious price concern: Steel and steel products. This could have very broad ripples as the current increases move through the supply chain.

Lead Times also increased in the past month as many firms found it more difficult to meet increasing Sales and Production demands from their inventories that have, for the most part, been the subject of continual planned shrinkage for the past five years. Both Purchased Materials Inventories and Finished Goods Inventories will have to be rebuilt while at the same time meeting increasing new sales order demand - not an easy task. Overall, however, 2004 just looks better and better.

Items in short supply: SS plate, PCA components, steel capacity in pipe mills, prevnar vaccine, flu vaccine, non-standard sizes of larger diameter OCTG and line pipe, IC's, custom extrusion PVC, high quality carbon steel flat rolled plates, galvanized steel, hot rolled steel.

Prices on the UP side: All grades of SS plate, finished goods from metal & forgings, castings, bar, homopolymer superior resin, copolymer resin, anything steel - plate, beams, castings, forgings-lots higher if it contains nickel in the alloy, electrical and electronics, machined valves, specialty rubber products, gasoline, polyethylene resins, seamless & welded pipe, vaccines, diesel, lubricants, air freight, plywood, copper, SS, bronze castings & tubing, SS castings (because of nickel), all stainless & carbon steel products, container freight, PVC resin; LTL freight.

Prices on the DOWN side: Palm pilots, laptop computers, servers, nylon, IT services.

Comments From Survey Participants

- "Sales and inquiries down last month. The holidays impacted that somewhat. Not seeing much activity yet in the offshore oil-drilling sector, which will impact our business. 1Qtr 04 backlog still strong however."
- "Increases are coming; some serious. China is buying all the nickel it can."
- "December was our busiest month of 2003! Looking forward to 2004!!"
- "Steel market may be tightening as China is buying forward."
- "Hoping Gov't funding release will create more sales."
- "Gearing up to do more work in-house to reduce G & A."
- "Nothing significant this month. Business is steady. Looking for the year to be a good one."
- "Scrap to make castings, forgings, bar - which means all metal finished goods - are in short supply."
- "Production will be above budget for January & February. December inventory reduction was more than planned - bringing inventories back to budget."
- "Unit orders are down, backlog is decreasing, management reorganizing and streamlining for 2004."
- "Things are moving forward - more orders coming from customers. Personnel processing orders are busy."
- "Price of steel may affect economics of capital projects - may be cancelled or delayed."
- "Very busy!"

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Comments From Survey Participants

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- “2004 is starting out well above last year.”
- “All seamless & welded pipe has had major price increases in last month with surcharges based on scrap prices. Increases equal approx. 15-18%. Last time we saw this was 1972.”
- “Raw steel prices have increased significantly. Demand from China and scrap price increases are the cause.”
- “We project steel, copper, aluminum and container freight to be the cost and supply challenges for ‘04. Sourcing organizations should be prepared to watch these markets closely, both pricing and availability.”
- “Scrap and fuel surcharges of 10% are in place at least until April. Business is picking up nationally and lead times extending; low inventories will likely lead to price increases due to demand.”
- “Extremely slow so far this year.”
- “Economies obtained thru efficiency are causing hardships for subcontractors in certain geographic areas. Some are reducing staff due to reduced workload.”
- “Services to Medicare/Medicaid have decreased with consolidation of agencies.”
- “With a new mayor in office, anticipated City of Houston changes. With consolidation of health related service agency, layoffs may be in the near future.”
- “We have met and exceeded our goal slightly for the last quarter; each month.”
- “Looks like 2004 will be a good year.”

January Index 2003 (9 months)

	Up	Same	Down	N/A	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Sales	33%	27%	29%	11%	+11	+13	+12	+02	+15	+19	+17	+04	+31
Production	27%	29%	22%	22%	+11	+16	+04	+09	+06	+23	+15	+05	+32
Employment	20%	64%	16%	00%	-09	-04	-14	-07	-02	-04	-03	+04	+05
Purchases	36%	31%	33%	00%	+27	+14	+04	-02	+19	+07	-02	+03	+25
Price Paid (Major Purchases)	24%	63%	13%	00%	+12	+09	+02	+06	-02	+08	+11	+11	+21
Lead Times (from Sellers)	22%	67%	11%	00%	+03	-13	+08	+12	+11	+08	+10	+11	+19
Purchased Inventory	13%	24%	27%	36%	-02	-11	-08	-10	-02	-08	-08	-14	+02
Finished Goods Inventory	11%	27%	29%	33%	-09	-14	-08	-23	-08	-15	-02	-18	00

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

NAPM - Houston	02/03	03/03	04/03	05/03	06/03	07/03	08/03	09/03	10/03	11/03	12/03	01/04
Composite PMI	51.0	54.0	55.0	53.7	54.1	51.8	53.3	53.5	55.7	53.7	54.2	58.3

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

Boss of the Year

Laurie Oberhoff- Awards Committee Chairman

Photos taken by Valarie Cross- Awards Committee Vice-Chair



Boss of the Year recipient, Jimmie Gabucci nominated by Derek Forfang



Nominees Ed Lewis, Mark Keiser nominated by Elayne Duncan and Lin Peterson



Boss of the Year Nominees and Winners: (front) “Boss of the Year” recipient, Jimmie Gabucci - Chevron Phillips Chemical nominated by: Derek Forfang

Not pictured: Nominee: Elisabeth Nash -SCI, Intl. nominated by: Jim Yandell, Nominee: Randy Winfrey - Occidental Permian nominated by: Evelyn Broughton



Nominee Dennis Harper nominated by Jean Lara

James O. Cox Outstanding Member Award for 2004

Call for Nominations

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

Who was James O. Cox? He came to Houston at age 25 as a journalist. He devoted 34 years of his life chronicling the activities of the industry and business environment along the South Texas front. Served the purchasing association and his dedication never subsided. He exemplified true professionalism both on the job and within the community.

The Outstanding member of the year award was established in 1953 and renamed in 1973 to the James O. Cox Award in honor of gentleman highly regarded for his dedication to the purchasing industry and our Association. This award has been presented to a deserving member of our Association for the past 50 years. The names of previous recipients are documented in our directory and are still held in high regard by our Association today.

It is time again to recognize our outstanding members who have made significant contributions to the success of our organization.

Nominees must be a current Regular member of NAPM Houston for the past 10 consecutive years, must have served on the Board of Directors for at least 2 consecutive years or have committee chair or combination of committee chair for at least 3 years. Must have demonstrated leadership and managerial capability and exemplify professionalism and personal integrity.

Please submit your nominations. It is critically important that we express our appreciation for the time and hard work our volunteers contribute.

The nomination form is available on the NAPM-Houston Web Page

James O. Cox Award Nomination Form

Please submit to completed form to:

Kimen V. Metzger, C.P.M.; Chair Cox Committee
email : kimen.metzger@hp.com or Fax 281-514-3616

The deadline for nominations is May 1, 2004 with the award presented at our June 8, 2004 General Meeting Installation of 2004 - 2005 Officers.

NAPM 2004 HOUSTON Houston Golf Tournament

NAPM-Houston's 2004 Golf Tournament plans are in full "Swing". Have you sent out those postcards yet? Our goal is for each member to mail at a minimum of 10 cards to business associates. Ask your organization to sponsor a hole. Wouldn't you be proud to see your company recognized at this very important fundraiser?

So don't forget to mark your calendars - Thursday, May 20, 2004 at Cypresswood Golf Club. Great golf, Bar-B-Q, door prizes and fun! We're

including a Hole in One Contest this year at no extra charge to the players. The prizes for this contest will include some great getaway vacations. More chances to win more stuff

We're always looking for volunteers. Contact Jo Ann Prazak for information about our first golf committee meeting. Be a part of it - you'll be glad you did!

The player registration and sponsor forms are available on-line at our website.

NAPM-Houston Mini-Trade Fair

NAPM - Houston invites you to attend the annual NAPM-Houston Mini-Trade Fair event, held in conjunction with NAPM-Houston's March monthly dinner meeting. Numerous vendors will be present at this meeting with booths displaying the products available through their company and will also have information on the services they provide. This event will be held beginning at 4:30 pm. and running until 6 pm., when our dinner meeting begins.

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.

NAPM Survey

The NAPM-Houston E-Commerce group would like to encourage ALL members to visit our website and complete the survey. The survey will be available on March 1, 2004 through March 31, 2004. The results of this survey will assist the Group to understand the membership's knowledge and experience and to provide topics and tools of interest to the membership in return.

Please feel free to contact any one of the committee members listed below for any information or discussion.

Helen Tzerefos 281/263-5378

John Paul Gutierrez..713/439-0744

Thanks for your interest!

March 2004 - NAPM- Houston

General Meeting

March 9, 2004

Sheraton Houston Brookhollow
Hotel
3000 North Loop West

Times: 4:30 pm – Mini Trade Fair
6:00 pm – Dinner
7:00 pm – Program
8:15 pm – Adjourn

Phone / Fax: (281) 494-8670
napmhou@pointecom.net

Dinner reservations are due
Thursday, March 4, 2004
by 5:00pm.

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

Important Announcements:

Dinner cost is \$27.00 with
reservation,
\$30.00 at the door without
reservation.



March Dinner Menu

Almond Encrusted Chicken Breast

Chive Rice Pilaf and
Frangelico Cream Sauce

Salad

Dinner Rolls

Dessert

Coffee, Tea, Water

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

