

## Presidents Message

By Marian Nimon, C.P.M.

### We've Got A Lot to Offer

Your local ISM affiliate, NAPM-Houston, Inc.,

offers much for our membership and we designed our program offerings with education as the driving force. Any successful business operates from a strategic plan and our organization



is no exception. One of the objectives of this year's Board of Directors focuses on the development of a strategic plan to organize and tighten our goals. The mission of an organization is the unique purpose that sets it apart from others of its type while identifying the scope of its operations. The cornerstone of the strategic plan is the mission statement:

NAPM-Houston's mission is to provide continuing education and develop the supply chain professional through training programs, seminars, workshops, and speakers.

Ten main objectives direct our energies and initiatives:

*Objective 1:* Establish administrative structures and procedures necessary for effective and efficient management control and the financial stability of the organization.

*Objective 2:* Formulate methodology for increasing attendance and better serving the membership.

*Objective 3:* Practice fiscal responsibility with organization's funds.

*Objective 4:* Increase professional development programs to educate and provide expertise to membership, keeping within the main scope of organization's mission.

*Objective 5:* Maintain an internal education program designed to educate and provide functional staff expertise to the Board.

*Objective 6:* Provide scholarships for NAPM-Houston membership and college students in the supply chain management profession.

*Objective 7:* Recognize membership for tenure and outstanding achievements and contributions.

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## Bounce-Back into Shape

### April Speaker: Peggy L. McNamara

Webster's New World Dictionary defines resiliency as bouncing back into shape after being stretched, bent or compressed. The environment we work, and live, in today can create that bent and stretched feeling; Peggy L. McNamara's Bounce-Back into Shape is centered on the concept of removing limitations to achievement as well as skills for increased effectiveness while surviving through trials and tribulations.



Peggy emphasizes four big picture characteristics for achieving this mindset as well as practical techniques on how to incorporate them into your workplace and daily routine. She brings a lifetime of learning, and experience, to her audiences. She is living proof that this program works.

This presentation is for those organizations that want to get back into shape by re-focusing and re-energizing their workforce.

Your audience will discover:

- ✓ Four crucial attributes to resiliency.
- ✓ How to overcome procrastination.
- ✓ Techniques for maintaining a positive mind-set.

(continued on page 2)

# News & Notes

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

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

Brook Simko, A.P.P. .... Original Certification  
Susan Bouquet, C.P.M. .... Original Lifetime Certification  
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

## Tenure Awards

Laurie Oberhoff - Awards Committee Chairman

### Tenures for March

#### 5 Years

Wayne J. Auzenne  
Randal G. Crouch, C.P.M.  
Erik G. Hoffman, C.P.M.  
David L. Pepper  
Harry Joe Thornhill  
James "Jim" C. Yandell, C.P.M.

#### 10 Years

Robert B. Fazakerly, C.P.M., CPIM  
Lorna Sadler  
Lynne S. Taylor

### Tenures for April

#### 5 Years

Abraham B. Bekit  
Cindy D. Howell  
Lisa Nell Smith, C.P.M.  
Denard C. White

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## Executive Board

### President

Marian Nimon, C.P.M.  
UT, MD Anderson Cancer Center  
mnimon@mdanderson.org

### Vice President

Mike Valant, C.P.M., A.P.P.  
HP Invent  
Mike.Valant@hp.com

### Secretary Parliamentarian

Sharon E. Brauner, C.P.M.  
MHMRA  
sharon.brauner@mhmharristx.org

### Treasurer

Doc and Stan Stelzer  
docstelz@swbell.net

### Immediate Past President

Camillia Ward  
camilliaward@yahoo.com

## Directors-at-Large

Sharon Malkovicz, C.P.M.  
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Sharon.Malkovicz@hp.com

Jackie Milhoan

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## Local Directors

Carlene Jackson  
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Ben A Schaeffer  
ben.schaeffer2@emersonprocess.com

Wayne Doyle  
wdoyle1@houston.rr.com

## Standing Committees:

### Communications

Ed Wahowski  
Williams  
edward.m.wahowski@williams.com

### Membership Activities

Mara Stanfield, C.P.M.  
Belmont Corporation  
mstanfie@belmontvillage.com

### Professional Development

Sheila Baker, A.P.P.  
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Kim Wren, A.P.P.  
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### Public Relations

Lin Peterson, C.P.M., A.P.P.  
Texas Childrens Hospital  
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### Special Activities

Jo Ann Prazak  
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jprazak@paraengr.com

## Newsletter Staff

Lin Peterson, C.P.M., A.P.P.  
Chair/Editor

Laurie D. Oberhoff  
Vice Chair

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

## Presidents Message (continued from page 1)

**Objective 8:** Recognize our suppliers for their outstanding performance and support of our corporations and members.

**Objective 9:** Provide networking opportunities to membership while offering educational forums.

**Objective 10:** Provide motivation, education, and guidance to member firms to establish meaningful supplier diversity initiatives.

NAPM-Houston is your professional procurement organization. Get involved; let the organization reflect your interests and goals by being an active member volunteer. Feel free to contact any member of the Board or myself to discuss your areas of interest and find out how to make NAPM's mission your own.

## Bounce-Back into Shape (continued from page 1)

- ✓ Insight into the importance of teamwork.
- ✓ Skills for moving forward...even in adversity.

While Peggy does not have a doctorate degree, she has certainly earned the right to call herself an expert and is about as authentic as they come. Call her today to inquire about how you can hire Peggy L. McNamara for your next program/consulting need at 1-888-269-7771.

- Co-owner, Huntington Learning Center, White Bear Lake, MN. Opened September 2003
- President of the Minnesota Chapter of the National Speakers Association, 2003-2004
- Author of hundreds of published articles in her areas of expertise - Author of inspirational book, "My Tender Soul - A Story of Survival," published May 2000. The second printing was July 2001.
- Publishes monthly e-zine, "Perpetual Life Management," with a subscription base of 15,000 people, throughout the world.
- Member of the National Speakers Association
- Advisory Council Member for the Promise Program
- Soroptimist Member
- Member of E-Women Network, Minneapolis
- Board of Directors experience in several professional organizations
- Was the Director of Education, on a part-time basis, for Coldwell Banker Burnet from 1997-2003.
- Founder of PLM Inc, August 1997, which includes speaking, writing and consulting services.

## NAPM - Houston Business Report March 10, 2004

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

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### New Hires Accelerating Prices Edging Up PMI 3 Year High

The Houston economy grew again in February, for the 14th consecutive month, pulling along with it a third consecutive month of employment increases. Houston's PMI in February rose to 60.1, the highest reading of this benchmark since April, 2001.

The Employment component of the PMI moved up to 9 for the past month, almost doubling the jobs index recorded in January. Twenty per cent of Houston supply chain execs reported that their firms increased manpower levels in February, while only eleven per cent reported net job losses over the same period. Some continued, if less than robust, job growth appears to be slowly developing favor and may now be considered likely for the next several months. Slow growth in this critical index, if it continues, will prove to be the most solidly-based and lasting form of development as the overall economy ratchets upward.

Sales and Production rates continued their acceleration in February, as both indices were in double-digit growth territory for the 4th time in the past five months, the 7th time in the last eleven months.

Prices Paid reflected a doubling in the percentage of survey participants who reported having paid higher prices for their purchases of goods and services in the current month than they paid a month earlier. This index evokes a good deal of angst, particularly where metals are concerned. Many survey contributors are reporting great difficulty in acquiring the metals they need for their production, with much more difficulty in finding acceptable pricing. Also of concern to purchasers is deciding when the market will soften again - most agree that it will - and how much high-priced inventory might still be on the ground when the turn comes. Planning is now crucial - and risky. For now, the word "allocation" is being used frequently, and those old enough are recalling the metals shortages of the mid 1970's.

Lead Times have also moved out significantly as more buyers are chasing fewer goods and universally smaller inventories cannot meet a growing demand. The Lead Time component of the PMI doubled in February with forty per cent of respondents reflecting lengthening delivery times for their purchased goods.

**Items in short supply:** Passive semiconductor products, molded rubber parts, woven fiber-glass cloth, steel castings/forgings and related products, 22" and 96" wide carbon steel plates, air & hydraulic valves, electricals and electronics, o-rings, seals and rubber molded products, some GE (ITT) transformers, older technology computer parts, scrap, any product that requires metal, stainless coil, prevnar vaccine, solder tips, OCTG, tubing & casing.

**Prices on the UP side:** Steel pipe, CS flanges, steel products, OCTG, casing, industrial chemicals, vaccines, all SS products, steel fabrications, aluminum fabrications, copper, nylon resins, valves, cylinders, pipe, any product that requires metal, anything w/copper, gold, nickel, bronze, castings, connectors w/gold, aluminum ingot, plasticizers, resins, calcium carbonate, freight, utilities, semi-conductors, forgings and related products, basic laminating resins, epoxy hardeners, corrugated boxes, pipe.

**Prices on the DOWN side:** Packaging - corrugated boxes, computers & components.

## Comments From Survey Participants

- "Strong 1QTR but flattened market currently; business re-alignment may see reduction in work force in May/June."
- "Wire line part orders are coming in steadily, a big bonus."
- "Do not accept steel related increases without a fight!!!"
- "Mills are extending lead times and not making moves to expand capacity. This is in part due to raw materials availability and expense. There are also concerns regarding the legitimacy of the booked orders."
- "The rising prices and material shortages will adversely affect the economy in the metal industries."
- "We are seeing price increases from most of our suppliers, with sur-charges on all steel products."
- "Sales in January better than a year ago. Expect to increase inventories above last year for 1st & 2nd QTR but back down for year end."
- "In general, the market place is depressed with only study work (feasibility studies) available."
- "All prices are on the upside generally 2 - 6%."
- "Company re-organizing to better serve the market - will be ready for upward trend."
- "Can't find enough time to process all the ISO, FDA, and management reports."
- "OCTG, tubing and casing continues to tighten up. Operations are reserving pipe to avoid interruptions to drilling operations."
- "February will be our best month in over two years."

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## Comments From Survey Participants

(continued from page 3)

- "This year should be a wild one - negotiations are mighty important. Good luck to all."
- "Overseas inbound are slow to arrive as more ships are stuck in China ports - this will add to the longer lead time."
- "Electrical cable prices are up due to copper escalations."
- "Sales and inquiries picked up from last month. 2nd QTR backlog beginning to grow and looks good for the future. Bulk of our work is for overseas location. Not much going on domestically. We are very busy right now."
- "Business is improving & everyone is jumping on the price increase bandwagon."
- "Keep our steel scrap in the United States!"
- "The metals market as a whole, and specifically steel, is of great concern. Tight supply of raw materials globally, coupled with increases in demand from China are putting enormous pressure on prices."
- "More responsibilities, less people. The bar has been raised!"
- "Suppliers shipping wrong amounts of materials, will not list our PO # on packing lists (after being asked to do so), will not return calls. (Is the economy this good??)"
- "Availability of OCTG continues to be a concern as news of China's forward buying & steel mills raw materials shortages are serious supply chain constraints."
- "Steel pipe increase in prices may affect economics of projects to hold or cancel."
- "Slightly on the incline."

## February Index 2003/2004 (9 months)

	Up	Same	Down	N/A	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>Sales</b>	44%	27%	18%	11%	+13	+12	+02	+15	+19	+17	+04	+31	+26
<b>Production</b>	31%	38%	11%	20%	+16	+04	+09	+06	+23	+15	+05	+32	+20
<b>Employment</b>	20%	69%	11%	00%	-04	-14	-07	-02	-04	-03	+04	+05	+09
<b>Purchases</b>	44%	34%	22%	00%	+14	+04	-02	+19	+07	-02	+03	+25	+22
<b>Price Paid</b> (Major Purchases)	51%	47%	02%	00%	+09	+02	+06	-02	+08	+11	+11	+21	+49
<b>Lead Times</b> (from Sellers)	40%	56%	04%	00%	-13	+08	+12	+11	+08	+10	+11	+19	+36
<b>Purchased Inventory</b>	09%	27%	24%	40%	-11	-08	-10	-02	-08	-08	-14	+02	-15
<b>Finished Goods Inventory</b>	24%	20%	29%	27%	-14	-08	-23	-08	-15	-02	-18	00	-05

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

NAPM - Houston	03/03	04/03	05/03	06/03	07/03	08/03	09/03	10/03	11/03	12/03	01/04	02/04
<b>Composite PMI</b>	54.0	55.0	53.7	54.1	51.8	53.3	53.5	55.7	53.7	54.2	58.3	60.1

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

## News & Notes (continued from page 2)

### Supplier of the Year Awards

- Supplier of the Year Award was presented to HTC (High Tech Computer Corporation) was received by their Representative, Roger Chen. Nominated by Sharon Malkovicz, C.P.M., A.P.P. with HP
- Inside Salesperson of the Year Award was presented to Cheryl Greiner with Compsol, Inc. Nominated by Marian Nimon, C.P.M. with UT M.D. Anderson
- Tony Tsai of HTC (High Tech Computer Corporation) was nominated for Supplier of the Year by Carol Brace of HP
- Outside Salesperson of the Year Award was presented to David Giannoni with Aventist, nominated by Lin Peterson, C.P.M., A.P.P. with Texas Children's Hospital

### Condolences

- NAPM-Houston wishes to express condolences to Mark Keiser, C.P.M. and his family at the loss of Mark's father who passed away on March 9 after a long illness. Mark is employed by Texas Children's Hospital.

### Get Well Wishes

- NAPM-Houston sends their best get well quick to Marie Pucek, Laurie Oberhoff's mother who had surgery this March 5 at the Sugar Land Methodist Hospital.
- Best wishes to Kim Wren for a very quick recovery on the outpatient surgery she had Friday March 5th.
- We hope for a speedy recovery for Diana Hunter, C.P.M. (retired Compaq). Diana has been a long time member of NAPM-Houston and has been recently released from the hospital.

### Congratulations

- John Munday accepted a position as Project Procurement Manager for Chevron/Texaco. Good Luck.
- Jo Ann Prazak, A.P.P., Buyer received the Silver Bullet Award from her company, Paragon. This client recognition is unsolicited and is given to individual Paragon employees that exhibit excellence on a particular project or going "above and beyond the call of duty". It's a real honor for her to be recognized because relatively few folks are selected for this award.

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

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# NAPM 2004 HOUSTON Houston Golf Tournament

## Special Activities

Interest is really picking up for this year's Golf Tournament, which is scheduled for Thursday, May 20th at Cypresswood Golf Course – same place as last year. Prizes for 1st., 2nd and 3rd place teams for each course will be awarded, as well as for Longest Drive, Closest to the Pin. Raffle tickets, Mulligans and Tiger Tees are also available this year.

We are introducing a new Hole in One Program – at no extra charge to the players. On each Par 3 hole every player has a chance to win Golf vacation trips valued at up to \$3,995.00. Golfers really like this added competition!

Here's a recap of the sponsorship structure:

<b>Gold Celebrity</b>	\$2000 (includes 8 playing spots) – 2 Tee Signs
<b>Blue Champion</b>	\$1200 (includes 4 playing spots) – 2 Tee Signs
<b>Red Star</b>	\$500 (includes 2 playing spots) – 1 Tee Sign
<b>2-Hole Sponsor</b>	\$250
<b>1-Hole Sponsor</b>	\$150
<b>Team</b>	\$420
<b>Single Player</b>	\$130

Banners representing the Gold and Blue Sponsors will be displayed at the BBQ. Not only will they be recognized in the program but will be given a web link on the NAPM-Houston home page. So there is opportunity for a lot of great exposure for our sponsoring companies.

We ask each member to step up their efforts in gathering sponsors and teams for this important event. Prize donations are also needed for the raffle. Contact Jo Ann Prazak for the "Who We Are" letter that can be given to merchants describing NAPM and explaining what their donation will support.

There are many dedicated volunteers that work very hard to bring this event together. If you would like to be part of the Golf Committee, contact the Chairperson, Jo Ann Prazak for meeting times. You will have a lot of fun and find it to be a rewarding experience.

If you need postcards, registration forms, "Who we Are Letter" or any other information that would help you sell this tournament, please call Jo Ann Prazak at 713.570.1157 or email at [jprazak@paraengr.com](mailto:jprazak@paraengr.com). In fact, if you will forward to her names and addresses of companies you think would be interested, she will get the word out for you! How easy can it get to make this Golf Tournament a great success.

***So get out there, NAPM members and let's "swing" into action . . .***



President Marian Nimon, C.P.M. with the Mayor's Proclamation - March is purchasing Month



March Speaker:  
Karen McCullough

## ISM International Supply Management Conference

The 89th Annual Internal Supply and Management Conference and Educational Exhibit will be held April 25-28th in Philadelphia. ISM has lined up a wide variety of keynote speakers and topics including:

- Dick Conrad, Senior Vice President Global Operation, Supply Chain of Hewlett Packard "Our Future Supply Management Lies in Today's Corporate Consciousness"
- J.T. Battenberg III, Chairman, CEO and President of Delphia Corporation "Collaboration, Partnerships and Success" and
- Bonnie St. John, Olympic Medalist "Winners Get Up Faster".

In addition to the above keynote speakers the Southwest Supply Chain is honored to sponsor the following session: Strategic Sourcing by Bob Engel

The conference also offers five distinct learning tracks and an Educational Exhibit Hall showcasing more than 100 suppliers providing the latest in technological and practical insight for today's supply management professional.

Hope to see you in Philadelphia!

### 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 - Houston Business Report

*Press Release*

## NEW HIRES ACCELERATING

PMI at three Year High

HOUSTON, March 10th, ----- The Houston economy grew again in February for the 14th consecutive month, and at the fastest rate in the last three years. The PMI was 60.1 for the month; the highest reading since 61.7 was recorded in April, 2001. At the same time, the Employment component of the PMI nearly doubled in February from its January reading and recorded job gains for the third straight month.

The Houston PMI, which can range from 0 to 100, is a leading indicator for industrial production, typically forecasting change by three to four months. A reading above 50 indicates that the Houston economy is generally expanding. A reading below 50 indicates the economy is generally contracting. The PMI is based on a monthly survey of some 80 purchasing executives in leading Houston industries, including oil and gas exploration and production, manufacturing, engineering and construction, chemicals, distribution, business and financial services and healthcare, among others.

"Twenty per cent of those we survey, across a wide spectrum of industry, reported increases in manpower in their firms in February," said Doug Miller, Chairman of the Business Survey Committee for N.A.P.M.- Houston, Inc. "Only eleven per cent recorded net job reductions. It appears very likely that moderate, but steady, job growth will continue for the next several months. As long as Sales and Production rates are increasing as noticeably as they are, and no end of that growth is in sight, new hires will have to be made, and will likely accelerate over the next couple of quarters."

There are eight components of the PMI, including Sales, Production, Employment, Purchases, Prices Paid, and Inventory levels.

"Prices are beginning to be of concern as the economy heats up, particularly in metals and metal products which are currently being pressured by several factors, both real and imagined," said Miller. "We're expecting that market to soften and stabilize later this year, hopefully without doing any real damage to overall economic growth."

*The NAPM-Houston Business Report began publication in January 1995.*

*Subscriptions to the report are available through NAPM-Houston.*

*N. A. P. M. - Houston, Inc. is an affiliate of the Institute for Supply Management*

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## April 2004 Pre-Meeting HIPAA, What You Know, Can Hurt You!!

**Presented By: Dick Keller,  
Tejas Office Products Inc.,**

HIPAA is the acronym for the Health Insurance Portability and Accountability Act of 1996. It is responsible for improving efficiency in healthcare though the standardization of electronic data. The presentation reviews the federal act, privacy standards, key HIPPA elements, and compliance information.

### **Dick Keller:**

Dick has been in the office products industry for 26 years. He has worked for the Wilson Jones Company, Wilson Business Products and Office Depot Business Service Division. Dick has held various positions, including new business development, and sales management and training. He has built relationships with many Fortune 500 companies. He is the sales manager for Tejas Office Products.

Tejas Office Products, Inc. is the largest independent office products company in the Houston area. From their office and warehouse in north Houston, Tejas distributes quality office products and services across Texas and the U.S. From their original focus on personal customer service to their Electronic Data Interchange, Tejas has continued to practice Quality Partnership that maximizes your business and their business' overall capabilities. Tejas' growing staff of talented people are dedicated to superior services and solutions for the company's customers. Many companies sell office products. Tejas delivers office solutions.



Outside Salesperson of the Year:  
*David Giannoni with Aventist*

Inside Salesperson of the Year:  
*Cheryl Greiner with Compsol*

Supplier of the Year: *HTC, Roger Chen*



Tenure Certificates: *Harry Joe Thornhill - 5 Yrs,  
Lorna Sadler - 10 Yrs, & Wayne Auzenne - 5 Yrs*

This page serves as a reminder to go  
to:

<http://www.napmhou.org/2004ballotvote.htm>

to

**VOTE**

for

- ✓ Vice President
- ✓ Local Director
- ✓ Bylaw Changes

**HOUSTON**  
**Byline**  
NAPM- Houston, Inc.

National  
Association of  
Purchasing  
Management

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

Return Service Requested

## General Meeting

April 13, 2004

Sheraton Houston Brookhollow  
Hotel  
3000 North Loop West

Times: 5:30 pm – Pre Meeting  
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, April 8, 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.



## April Dinner Menu

10 oz New York Strip  
with Honey Ancho Glaze  
Jarlsburg Scalloped Potatoes  
Salad  
Dinner Rolls  
Dessert  
Coffee, Tea, Water

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

