

Houston Buyline



NAPM - Houston, Inc. Monthly Publication

September 2004

UPCOMING EVENTS

SEPTEMBER

- 14** Dinner Meeting Facility
- 20-21** Seminar
"Improving Negotiating Skills"
- 22-23** Seminar
"Contract Writing for Purchasing"

OCTOBER

- 12** Dinner Meeting
- 13-15** Southwest Purchasing
Conference, Oklahoma City
- 14-16** Hospitality Supply
Management Fall
Conference, Anaheim,
California
- 21** Satellite Seminar
"Best Practices for Negotiating
and Contracting"
- 25-26** Seminar
"Essentials of Purchasing"
- 27-28** Seminar
"The Legal Aspects of Purchasing"

NOVEMBER

- 9** Dinner Meeting
- 15-16** Seminar
"E-Commerce"
- 17-18** Seminar
"How to Purchase Services"

Check out the details for all events

www.napmhou.org

Think Service
Think Value
Think NAPM-Houston

September 14, 2004 General Meeting

*"Success is more than being good at what you do,
it is about being consistently chosen to do it."*



Garrison Wynn helps people learn how to make the jump from being great at what they do to understanding and developing the qualities it takes to be chosen for the job. He gets them to understand why their products, services, or leadership styles—or those of their competitors—are selected. As he says, "If the world agreed on what's best, everybody would choose the best and nothing else would be considered. Decision making doesn't work that way."

As a speaker, advisor, and entertainer, Garrison has worked with some of the world's most effective corporate leaders and salespeople, from multibillion-dollar manufacturers to top New York Stock Exchange wire houses. He has a background in manufacturing, entertainment, telecommunications, and financial services. Garrison started as a sales and marketing person in a branch office of a Fortune 500 company at age 24 and was chosen to be department head at corporate headquarters three years later. He researched and designed processes for 38 company locations nationwide and developed and marketed products still being sold in 30 countries. An experienced actor in films and a former professional stand-up comedian, he has hosted PBS television specials and national radio programs. Garrison is a member of the National Speakers Association.

Location: Sheraton Houston Brookhollow Hotel
3000 North Loop West (I45 to 610 to T.C. Jester Exit-Hotel on Right)

Cost: \$27 (Reservations Required)

When: 5:30 PM - Pre-Meeting: Meet Your NAPM Houston Committees
6:00 PM Dinner
7:00 PM Program: "Success is more than being good at what you do, it is about being consistently chosen to do it".
Presented By: Garrison Wynn
8:15 PM Adjourn

Please RVSP for dinner meeting by Thursday 09/09/04 5PM at napmhou@pointecom.net

EXECUTIVE BOARD

President

Mike Valant, C.P.M., A.P.P.
Hewlett Packard
Mike.Valant@HP.com

Vice President

Edward M. Wahowski
Williams
edward.m.wahowski@williams.com

Secretary/Parliamentarian

Mercedes Howell
Dynegy, Inc.
Mercedes.howell@dynegy.com

Treasurer

Doc Stelzer, C.P.M., A.P.P.
Stelzer & Associates
docstelz@swbell.net

Immediate Past President

Marian Nimon, C.P.M.
U. T. M.D. Anderson Cancer Center
mnimon@mdanderson.org

Directors-At-Large

Sharon Malkovicz, C.P.M.
Hewlett Packard
Sharon.Malkovicz@HP.com

Gary Lyon, C.P.M., A.P.P.

glyon2@sugar-land.oilfield.slb.com

Local Directors

Wayne Doyle
wdoyle1@houston.rr.com

Ben Schaeffer
Ben.Schaeffer@EmersonProcess.com

Linda Love, C.P.M.
linda.a.love@saic.com

Standing Committees

Communications

Bernadette Bowers, C.P.M.
bernadettebowers@us.abb.com

Membership Activities

Mara Stanfield, C.P.M.
Mstanfield@belmontvillage.com

Professional Development

Jo Ann Prazak, A.P.P.
jprazak@paraengr.com

Programs

Kim Wren, A.P.P.
kwren@swbanktx.com

Public Relations

Lin Peterson, C.P.M., A.P.P.
lapeters@texaschildrenshospital.org

Special Activities

Bob Engel
Bob.Engel@resource-us.com

PRESIDENT'S MESSAGE

Well folks our summer has ever so quickly gone by again. I hope you had a nice vacation or just a few restful weeks. If you were like me you spent some of the time working around the house. I also caught a few of the television shows where rooms, homes or yard's were changed into dream areas by relatively inexperienced home owners or neighbors. Have you ever wondered who pick's up the tab for those upgrades. HUM!!! The annual 197 billion dollar industry enjoyed by the Lowe's Store's or Home Depot is a good indication of some of our efforts to improve our surroundings.

Changing out the carpet, repainting a room or two, remodeling the kitchen, bedroom or just making the outside of your home more attractive is great. But have you done any work on yourself this summer. Ourselves is something we should not be ignoring. If we do not grow we will be left behind, an old saying but still true today. This is one of the major objectives of the continuing education requirements of the ISM C.P.M. and A.P.P. programs.

We should do daily activities to improve ourselves in all areas: education, exercise, family life and spiritual. I believe the secret of our individual success is determined by our daily agenda and I will prepare an agenda that will steer this organization toward that success. NAPM-Houston is a professional organization that was set up to provide education and support to you its membership. It takes all of us in our own unique ways of working together, to not only help ourselves individually, but keep this organization thriving and ready for the future.

We have installed a new Professional Development person with a mission of offering several Instructive and Informative events. We just had a full house for the recent electronic C.P.M. Review. The schedule for the monthly Programs is nearly complete and they will be informative and enlightening, thanks to our experienced Program Chair. We sure hope you will take advantage of our hard work to make that improvement in YOURSELF this year, on the education side.

Please contact any one on the board members with questions or suggestions throughout the year. We want to make each event one you want to participate in and we are willing to listen to you also.

We are looking forward to seeing you again or meeting you this year!

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

News & Noteables

- ▶ Condolences to Janell Cormier and her family, on the loss of her mother on June 18, 2004 after a long illness.
- ▶ Condolences to the family of our Past President Richard Carlton Marr who passed away on July 14, 2004.
- ▶ Our deepest sympathy to Jo Ann Prazak and her family on the passing of her mother on August 4, 2004.

If you have "News" or "Noteables", please contact :
Edward M. Wahowski
edward.m.wahowski@williams.com
713-215-4211 * FAX: 713-215-4212

BUSINESS SURVEY LUNCHEON HELD

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

The sixth annual Business Survey Appreciation Luncheon and Roundtable Discussion was held on Thursday, July 29th, at Taste of Texas restaurant on the Katy Freeway. The luncheon was attended and enjoyed by about eighteen survey contributors and NAPM-Houston officers and directors. The annual event is hosted by the Business Survey Committee as a means of expressing the Association's gratitude for the commitment made by many



NAPM-Houston members to complete the business survey each month on behalf of their firms. Several of the survey respondents attending the luncheon have been faithfully completing the survey each month since its inception in 1995. Their service and commitment are greatly appreciated by the committee and by NAPM-Houston, Inc.

The annual luncheon provides the opportunity for the committee leadership to solicit input from committee members regarding the effectiveness of the survey and potential improvements to the survey process. This year the possibility of designing and developing an electronic transmission process for the survey was discussed and appropriate planning was begun. This gathering also provides the committee leadership an opportunity to apprise members of the latest developments in publicity for the report and an update on media interest and coverage.



It is the stated goal of the committee to continue efforts to expand media coverage of the monthly report because such coverage gives NAPM-Houston greater exposure in the Houston business community and continues to elevate the Association, its members and the procurement profession.

Another means of gaining positive exposure and greater respect for the profession and its practitioners is the committee's practice of sending a personally addressed copy of the report each month to the chief executive officer of any firm that holds membership in NAPM-Houston. Any NAPM-Houston member may request the committee to add the name of their CEO or CFO (or equivalent position) to the mailing list in order for that official to be mailed a gratis copy of the report on its publish date every month. Several NAPM-Houston members have stated repeatedly that their CEO or president reads their personal copy of the report every month and requires that all top staff members do likewise. This kind of exposure is very positive for the Association.



The Business Survey Committee welcomes new survey participants at any time - any NAPM-Houston member who has fifteen minutes a month to donate to the enlightenment of the business community and the thousands of report readers, in Houston and literally around the world, who



count on the NAPM-Houston Business Report to keep them informed about the direction and rate of change of the Houston economy.

ISM Introduces New Research On Demand Service

The Research on Demand initiative is a new service by ISM in cooperation with CAPS Research. For a fee, the ISM Resource Center will perform in-depth secondary research on topics of your choosing and provide customized research reports of the results, all in three to six weeks. Research requests are submitted via fax, e-mail, through an online form, or over the phone. Research on Demand is offered as an annual service or on a per request basis. For more information on the Research on Demand initiative, go to www.ism.ws and select [Online Guides](#), [Tools & Links](#), then Research on Demand.

DID YOU KNOW?

Your A.P.P. accreditation and C.P.M. certification may qualify you for the State of Texas certification program. Just take an examination covering Texas rules and procedures on buying practices and you can obtain your Certified Texas Procurement Manager (CTPM).

Check out this link for further information:
www.tbpc.state.tx.us/stpurch/trn-guide.html

TENURE CONGRATULATIONS

Laurie Oberhoff * Chairman

JULY 10 Year

Robert W. Byers
Mark S. Reynolds, C.P.M., CPIM
Regina M. Stephenson, C.P.M.

AUGUST 5 Year

Dennis J. Cannon
Donald R. Godine
Joseph Pacheco, C.P.M.
Lorenzo J. Garcia
Marvin G. Moore, C.P.M.
Phillip W. Hill
Randy L. Carlson, C.P.M.
Raphael E. Morin, C.P.M.
T. "Terry" A. Taylor
Wagas S. Shaikh, C.P.M.

SEPTEMBER 5 Year

Jerome "Jerry" J. Rog
Mara Lea Stanfield, C.P.M.
Michael L. Perricone, C.P.M.
Patrick A. Garrett
Vivian Hensley
Wayne M. Doyle

SEPTEMBER 10 Year

Girish Mathur, C.P.M.

SEPTEMBER 25 Year

James Norris Batt, C.P.M., A.P.P.
* Retired
Mark A. Langley, C.P.M., A.P.P.

SEPTEMBER 30 Year

Diana R. Hunter, C.P.M. *Retired

SEPTEMBER 40 Year

Lawrence M. Ladish *Retired

Why Is Supply Management Important To Business, The Community And The World?

Background:

In September 2003, ISM began laying the groundwork for an intensive public relations program to increase the awareness and understanding of the field of supply management and gain greater exposure for the value of the field in various print, broadcast and Web opportunities.

Image Development:

One important element in a successful public relations awareness campaign is the use of consistent messages in support of a specific image. Repeating those messages reinforces the image.

Of course, the image must also be supported by ongoing activities. In other words, we must actually "be" what we say we are.

Focus Group Research:

In order to determine the current image of supply management among professionals in the field, ISM held a series of focus groups consisting of individuals from various industries and geographic locations.

The primary purpose of the focus groups was to gather information on what's happening in the field, discuss current images of supply management and brainstorm various messages in support of the image.

During the focus groups, participants were asked the following questions:

- What is your job at _____?
- Why is what you do important?
- Why is supply management important to business, the community and the world?
- If you could give the world one message about supply management, what would that message be?

Focus Group Participants:

A total of four focus groups were held between January 1, 2004, and May 31, 2004. Those invited to participate were a diverse group of professionals from various industries, positions, ethnic backgrounds, geographic locations and experience levels.

Some of the Common Themes:

- "Supply management is relationship management."
- "Supply management is in a position to both directly and indirectly impact the bottomline."
- "Supply management controls the majority of the spend within the organization."
- "Supply management has the ability to integrate all areas of the organization at all stages of business."
- "Supply management maximizes opportunities and manages risk."

Call to Action!

We are very interested in knowing how you and your local members feel also. Please consider including a few minutes of brainstorming at a future monthly meeting and ask your members in attendance the following questions:

- Why is supply management important to business, the community and the world?
- If you could give the world one message about supply management, what would that message be?

Please share those responses with us by sending them to spreadtheword@ism.ws. Thank you for helping us develop the key messages we will use to promote supply management! We'll let you know the responses we receive in a future issue of NewsLine.



**PRESENTS THE 58TH ANNUAL
SOUTHWEST PURCHASING CONFERENCE**

“REFINING THE FUTURE”

**OCTOBER 13-15, 2004
OKLAHOMA CITY, OKLAHOMA**

This year's event will begin on Wednesday, October 13th with a C.P.M. Review and three Pre-Conference Seminars on:
Performance Based Contracts (8 am -5 pm),
25,000 Mile Supply Management Check (8 am -12 pm)
Role of Supply Management in Revenue Enhancement (1 pm -5 pm)

The conference begins Thursday morning with keynote speaker Steve Reed, Vice President –Purchasing and Distribution, on “Sonic’s Procurement and Distribution Strategy.” The General Lunch speaker will be Garry Varney, Procurement Manager, Devon Energy Corporation and the closing brunch will feature Peggy L McNamara, PLM Inc “Bounce-Back Into Shape”.

This year's conference offers 25 educational sessions, offering a wide choice of topics and speakers. Barb Taylor (NAPM-Dallas member) and Dr. Laura Birou will be presenting two sessions, The Guiding Light: Mission Statements That Lead the Way for Personal Performance and Buying Under the Influence.

This year's conference provides ISM members an opportunity to earn 10.5 CEH hours for only \$250 (early registration). Thursday night is our Tabletop Exhibits and Networking Reception, “Get Your Kicks on Route 66” with dancing, music and good eats. Also door prizes will be awarded.

Make your reservations now. Find that packet that was sent to you a couple of weeks ago.

Stay at the host hotel, The Renaissance Oklahoma City Convention Center Hotel. The hotel is located right in the heart of downtown Oklahoma City. The hotel is within walking distance from the Ballpark, and many local attractions, including Bricktown, the fastest growing entertainment district in the southwest. The alternate hotel is The Westin, across the street.

Register today. Hope to see many NAPM-Houston members at the conference.

For additional information and online registration, visit our website at: www.ismswscf.org.

Newsletter Staff

Lin Peterson, C.P.M., A.P.P., Chair
Laurie D. Oberhoff, Vice Chair

The Public Relations Committee of NAPM-Houston, Inc. publishes the Houston BuyLine throughout the year. All comments, inquiries, and suggestions are welcome and may be submitted to: Houston BuyLine, P. O. Box 35698, Houston, TX 77235-5698 or directly to the editor at lapeters@texaschildrenshospital.org.

Also, check out our web site at: www.napmhou.org

NAPM - HOUSTON BUSINESS REPORT

August 10, 2004

ECONOMY VERY HEALTHY SALES, EMPLOYMENT RATES SOARING

Houston's economy continued its robust growth in July with the third highest PMI (64.4) since this report began in January 1995. The lofty reading was driven by several components climbing during the month.

The Sales component reached its highest point since February of 1997 and the Production growth rate was reported at its highest level since November of the same year. Also driving the PMI up, but with dubious distinction, was the Prices Paid index, which rose to its highest point since the first month this report was published in January 1995. Fifty-six percent of survey participants reported higher prices being paid by their firms for the goods and services they purchased in July than was paid the prior month. Only four per cent of contributors reported overall price decreases for the month.

But perhaps the most noteworthy figure for the past month was the Employment index of 23, which was the result of twenty-seven per cent of survey respondents reporting net job increases in their organizations in July, while only four per cent reported overall employment declines. This was the highest Employment index seen in Houston since February of 1998. Houston has a long way to go to recover the jobs lost from '01 to '03, but July shows definite promise for the balance of '04 and the beginning of '05.

It is still expected that prices will soften during the balance of this year, but high energy costs are affecting all basic industries and are continuing to force cost pass-throughs.

Lead Times remained high in July with nearly half of survey contributors reporting longer shipping times for the products they buy than thirty days earlier.

Inventories, both Purchased Goods and Finished Goods, grew slightly in July, as purchases continued at their near record level for the fourth consecutive month.

Moderation of energy prices is of great concern, and will ultimately play a role in how long the current growth pattern continues, but for now Houston's economy is handling the prices and steadily growing in spite of their perceived encumbrance.

Items in short supply: I.C.'s memory, titanium bar, qualified individuals for employment, common sized OD intermediate casing and surface casing (10-3/4), line pipe in 10" & 12" sizes, steel & related products, prevnar vaccine, forgings, SS, gauges, packing, old technology electronic components, bar & tube, bearings, machined parts, castings, memory modules.

Prices on the UP side: Memory, connectors, PVC/CPVC, fiberglass resins, titanium parts, HDPE, long haul, OCTG, tubing & casing, fuels - including diesel & lubricants, all steel products, line pipe, industrial chemicals, polycarbonate, PPO, PBT, aluminum, LTL, vaccine, all metal products, hydraulic components, packing, seals, transmitters, electrical parts, plastic resin items, transportation, stampings, machined parts, SS, plate, castings.

Prices on the DOWN side: Accumulators, computers & components, electronic components, computers, printers & related peripherals, vehicles - greater fleet incentives for '05 model year.

	JULY				Index 2003/2004 (9 months)								
	UP	SAME	DOWN	N/A	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JULY
Sales	56%	32%	04%	08%	+17	+04	+31	+26	+46	+49	+43	+31	+52
Production	40%	31%	00%	29%	+15	+05	+32	+20	+34	+33	+29	+33	+40
Employment	27%	69%	04%	00%	-03	+04	+05	+09	+03	+19	+19	+02	+23
Purchases	50%	37%	13%	00%	-02	+03	+25	+22	+32	+35	+31	+38	+37
Prices Paid (Major Purchases)	56%	40%	04%	00%	+11	+11	+21	+49	+59	+65	+65	+51	+52
Lead Times (from Sellers)	44%	56%	00%	00%	+10	+11	+19	+36	+48	+59	+45	+49	+44
Purchased Inventory	19%	26%	13%	42%	-08	-14	+02	-15	00	+02	+17	+04	+06
Finished Goods Inventory	23%	31%	17%	29%	-02	-18	00	-05	-05	+04	-02	+07	+06

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

NAPM - Houston	08/03	09/03	10/03	11/03	12/03	01/04	02/04	03/04	04/04	05/04	06/04	07/04
Composite PMI	53.3	53.5	55.7	53.7	54.2	58.3	60.1	63.1	64.6	62.9	60.5	64.4

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

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PROFESSIONAL DEVELOPMENT NEWS

The Professional Development Committee has already been working diligently to provide educational opportunities to allow each NAPM member a jumpstart in his career. If you are getting a little stagnant in your job situation, perhaps participating in a free Satellite Seminar or Plant Tour will motivate you. You'll be surprised how learning something new can give you a fresh, new perspective. Check the Pro-D section of our website regularly for current listings of Pre-Meeting speakers and topics, Plant Tours, C.P.M. Reviews and more.

Our first C.P.M. Review took place August 14th at UH-Downtown. Pam Washington, C.P.M. and Arvind Bhatnagar handled the logistics and registration process of this diagnostic computer-based review. Kathy Silverburg, C.P.M. and Pam fielded questions from the participants, explaining the answers and offering helpful advice in preparation for the actual exam.

We have an opportunity to recognize a long time supporter of our Satellite Seminar program. Aramco Services will be honored at our September 14th general meeting. Aramco has provided the venue for these seminars at no charge for many years. Mr. Naji Al-Dossary, Management of Procurement & Logistics; Mr. Tim Murdock, Supervisor of Procurement Unit 1; and Mr. Steve Groppi, Supervisor of Procurement Unit 2 will be joining us that evening. Dora Valdez, a NAPM-Houston member, has been an integral part of that program too. She handles the auditorium reservations, takes care of registration and refreshments as well as assists the participants during the question/answer sessions.

Another presentation will be taking place at our September meeting. The recipients of the Spring 2004 NAPM-Houston Student Research Paper Writing Competition will be awarded scholarship checks. First place goes to Gail Peacock for her paper entitled "RFID Tag Requirements Implemented by Wal-Mart". Second place winner is Kimberly Bergeron for "Controlling Your Inventory and Inventory Records. Third place goes to Samantha Lai for "The Evolution of Logistics". Fourth Place goes to Harry Ogbogu for his paper entitled "Dell's Procurement & JIT Practices". Copies of the articles can be found on the website.

Professional Development is planning a whole slate of activities, seminars, reviews and resources to assist our members this upcoming year. There is great opportunity for those involved directly with this committee. Volunteering registrars can sit in on many seminars and reviews free of charge. Our next Pro-D Committee meeting is scheduled for Thursday, October 21, 2004 at 5:30 p.m. at the Paragon Engineering offices on Clay Road near the Beltway. If you are interested in participating or if you have any ideas to pass along, just let us know. Contact Committee Chair, Jo Ann Prazak at jprazak@paraengr.com.

Arnold L. Yauch Award Achievement of Excellence Award Presented to Sharon J. Malkovicz, C.P.M.

The June Installation of Officers dinner meeting recognized a special honor bestowed upon very few. The Arnold L. Yauch Achievement of Excellence Award recognizes an "outstanding member whose contribution has far exceeded succeeding norms of service." The member must be either a former Cox award winner or have served as President of NAPM-Houston. This is not an annual award, rather given to one who deserves the recognition for contribution that far exceeded norms of service.

Sharon J. Malkovicz, C.P.M. has exhibited outstanding leadership qualities throughout her tenure with NAPM-Houston and ISM national with expertise and statesman-ship leadership. Sharon has assisted the Board this past year as Local Director while serving ISM on the national level overseeing education at the forums. Sharon is Past President of our affiliate as well as a former James O. Cox award winner. Sharon has served in various leadership roles over her tenure with the association and has selflessly guided NAPM-Houston's officers with the best intent for the survival, quality, and professionalism of the organization. Those who have worked with Sharon perceive her generous spirit as both innovative and driven. Her leadership is invaluable to both NAPM-Houston and ISM.

In 1990, NAPM-Houston established the Arnold L. Yauch Scholarship Fund and presented the 1st Arnold L. Yauch Achievement of Excellence Award to long time member and Association Secretary/Treasurer, Arnold L. Yauch, C.P.M. There have been only four previous Yauch Award winners; Arnold L. Yauch, C.P.M. in 1990, Earl. D. Cornelson, C.P.M. in 1996, Lee E. Elmore, C.P.M. in 1997, and Douglas R. Miller, C.P.M. in 2001.

Congratulations, Sharon, on receipt of the prestigious Arnold L. Yauch Achievement of Excellence award!

By: **Marian Nimon, C.P.M.**



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

Address Service Requested

September 2004 Dinner Menu

Bacon Wrapped Filet With Honey Ancho Veal Glace,
Golden Yukon Potatoes,
Salad,
Dinner Rolls,
Dessert,
Coffee, Tea, Water

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