

Houston Buyline



NAPM - Houston, Inc. Monthly Publication

February 2005

UPCOMING EVENTS

FEBRUARY

- 8 **Dinner Meeting**
"Critical Skills Required for Supply Chain Professionals in the Global Economy"
- 7-8 **Nahabit Seminar**
"Legal Aspects of Purchasing" and "Contracts: Reading, Writing & Negotiating"
Brookhollow Sheraton
- 10 **ISM Satellite Seminar**
Finding and Keeping the Best Sources
Aramco Services Company Auditorium
9:00 AM - 1:30 PM
- 19 **Saturday Seminar**
"Strategic Sourcing and Emerging Trends in Supply Chain Management"
Paragon Engineering Offices
9:00 AM - 1:30 PM

Check out the details for all events
www.napmhou.org

Think Service
Think Value
Think NAPM-Houston

February 8, 2005 General Meeting

Tom Crimi, Lifetime C.P.M.

"Critical Skills Required for Supply Chain Professionals in the Global Economy"



Tom Crimi, Lifetime C.P.M., is a Category Manager and Learning & Development Coordinator for ChevronTexaco Overseas Petroleum. He has served in this procurement and supply capacity over twenty (20) years. He is also an Adjunct Professor of Management at the University of Houston Downtown, and has served in this capacity for seventeen (17) years teaching management and purchasing classes.

Besides his contribution as a teacher, he has an undergraduate degree in Business Administration from the University of Tennessee; a Masters Degree in Public Administration and a Masters Degree in Business Administration from the University of Houston.

Tom has been a Chairman of the Petroleum Industry Buyers Group for NAPM-Houston.

He has also been a regular presenter at ISM's International Conference for the past eight (8) years.

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

Cost: **\$27 (Reservations Required by Thursday 2/03/05, 5PM)**

When: **5:00 PM - Pre-Meeting** (see below)
6:00 PM Dinner
7:00 PM Program: "Critical Skills Required for Supply Chain Professionals in the Global Economy"
Presented By: Tom Crimi, Lifetime C.P.M.
8:15 PM Adjourn

FEBRUARY PRE-MEETING: A representative of the Port of Houston will report on trade development trends and issues and the development of the Bayport container facility terminal. This meeting is being hosted by our Global Services Group. The meeting begins at 5:00 p.m. on February 8, 2005 – just prior to our general meeting. The meeting room location will be posted at the registration table.

Please RVSP for dinner meeting by Thursday 2/03/05 5PM at napm-houston@houston.rr.com

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PRESIDENT'S MESSAGE

Well, the new year 2005 is upon us. Today is the time to begin to take an inventory of yourself and find out how to take the course adjustments to make your life better, your job enriched or closer to where you want them.

Decide today to become more valuable to yourself and your Company. Investigate new ideas daily to contribute to the bottom line. Start managing your job instead of letting it control you.

Continue to build relationships and connect with others in your industry and profession to expand your horizons. Examine your personal growth and find out what you need to advance yourself to the best you can be.

And most important, arrange for that personal growth by finding out how to make yourself more creative and thinking on the edge every day so that you may enjoy the benefit's of tomorrow.

NAPM – Houston and ISM can be the resource and tools to assist you on the adventure. Check out the calendar of events in this month's BuyLine. You may just find the tool or training you are looking for today to start your new year. There are innumerable references to the above items on the NAPM - Houston website www.napmhou.org and the ISM Website www.ism.ws.

I had the Professional Development Committee set-up a “**NO Charge**” seminar on “**Strategic Sourcing**” next month. This may be the beginning of the new more knowledgeable you! And best yet at no charge to NAPM-Houston members or their employers.

Come join us as the first step toward your priority.

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

2005 Boss Of The Year Award

The deadline was Jan 11, 2005 for submitting your nominations for 2005 Boss of the Year Award to be presented at the **February 8, 2005 "Bosses Night"** General Meeting. Thank you for your nomination(s).

2005 Supplier Inside Salesperson and Outside Salesperson Of the Year Awards of Appreciation

These awards shall be presented to these Members/Non-Members upon criteria and process established by the Awards Committee and in accordance with both Board policy and the Manual of Duties.

The "Supplier of the Year", "Inside Salesperson of the Year" and "Outside Salesperson of the Year" awards should consider service above and beyond what is normally expected of a Supplier with emphasis on product or process improvements, which generate cost savings.

Nominations are now being accepted for Supplier of the Year, Inside Salesperson of the Year and Outside Salesperson of the Year to be presented during the March 8, 2005 General Meeting, Mini-Trade Fair. Forms will be available at the General Meetings in November, January and February, on the web site under Awards link, e-mail request to loberhoff@tecmag.com or by phone request to 713-667-8747. Fax your nomination forms to 713-667-3180 or send via e-mail. The **deadline** for accepting nominations is **February 8, 2005** at the General Meeting. Thank you for submitting your nomination(s).

Scholarships & Tuition Reimbursement

One of the purposes of your NAPM-Houston Professional Development Committee is to help you attain your goals. If one of those goals involve advancing your education in the purchasing field, perhaps we can help. Scholarship funds are available each year and are based on financial need, grade average (minimum of 3.0 GPA) and involvement in the NAPM-Houston organization. A completed application and essay are all that's required to begin the process. Check out the website for more information.

Student Research Paper Contest:

We will be sponsoring another contest for this Spring semester for our UHD students. Scholarship money will be awarded for 1st, 2nd and 3rd place papers. We need judges to assist with the scoring. Please contact Jo Ann Prazak if you can assist with judging.

Recent A.P.P. Accreditations / C.P.M. Certifications

Bryan Rotto, C.P.M., Re-certification
Marla Richbourg, C.P.M., Lifetime
Greg Smith, C.P.M., A.P.P., Original
Eugenio De La Torre, C.P.M., Original

NEWLY CERTIFIED? If you've recently received your C.P.M. certification or A.P.P. accreditation allow us to recognize your accomplishment! Let us present it to you at one of our general meetings. It can be a real encouragement to those considering taking up the challenge of attaining certification. Please contact Jo Ann Prazak and advise her when you plan to attend.

Nahabit Seminar

February 7th and 8th is the next seminar to be held at the Brookhollow Sheraton. Topics to be presented are entitled "**Legal Aspects of Purchasing**" and "**Contracts: Reading, Writing & Negotiating**".

Satellite Seminar

Our next Satellite Seminar is scheduled for February 10, 2005 at Aramco Services, located at 9009 West Loop South. Be there about 8:15 a.m. and have photo ID with you to enter the building. Check the website for registration forms or contact Dora Valdez at DA.Valdez@aramcoservices.com. This session is entitled "Finding and Keeping the Best Sources" Explore sourcing strategies, risk management and get tips on how to streamline the process. Learn how to determine which suppliers will be most effective in meeting your organization's needs. These seminars are FREE OF CHARGE. If you've never attended a Satellite Seminar, do yourself a big favor and try one out. You'll be finding excuses to go to all of them!

If you sign up and cannot attend, PLEASE let Dora know. There's a lot of preparation and expense associated with the Satellite Seminar. So please take the time to advise if your plans change.

Saturday Seminar

February 19th is the date of a special seminar being presented by our own Bob Engel of Resources Connection. The seminar will be held at the Paragon Engineering offices located at 10777 Clay Road, just off the Beltway.

Here's a twist on the registration fee. It will cost \$100 per participant, BUT if you show up you get your money back! Now is that incentive or what?

Bob Engel will present a half day seminar on Strategic Sourcing and Emerging Trends in Supply Chain Management. Strategic Sourcing has developed into a very important building block of world class supply chain organizations and Bob will review a step by step process of a typical model. Strategic Sourcing, by definition, is an *organized* and *collaborative* process for supply chain organizations to look at spend areas with the objective of selecting suppliers who are best suited to deliver optimum value. The objective of the Strategic Sourcing workshop will be to give you an insight and takeaways that you can use at your company. Strategic Sourcing is just one of the new emerging trends in our profession. Bob will also spend time during the workshop to review Emerging Trends in Supply Chain that he has observed over the past couple of years. We think you will find this workshop to be very helpful and Bob's style of presenting includes interaction from all participants.

Registration available on the website,
www.napmhou.org

48th Cosgrove Award goes to Fred Lavail, C.P.M., A.P.P.

In 1955, the Harold M. Cosgrove award was established to recognize outstanding service by an individual to District II, now known as the Southwest Supply Chain Forum. Named for Harold M. Cosgrove of Tulsa, this award represents the highest honor the SWSCF has to offer. It's appreciative recognition of individual accomplishments spotlights years of dedication and exemplary service. The Cosgrove Award was first presented in 1956 and has been awarded for 47 consecutive years. Presentation of the award was made during the closing Brunch of the Southwest Purchasing Conference by Eddie Burton, C.P.M., the Cosgrove recipient for 2003.

Fred became a member of NAPM-Dallas in 1974. He was President in 1985 and became involved at the District/Forum level in 1986. He received the Hubert T. Fuller Award in 1990. This award is the NAPM-Dallas Outstanding Member Award. Fred was honored with the NAPM-Dallas Presidential Citation for Contribution to NAPM-Dallas in 1999. Once Fred committed to our professional organizations, he has never stopped contributing.

Most of you will recognize Fred's name from the "Job Watch". He created this service for NAPM-Dallas and has expanded it to include not only all Southwest Supply Chain Forum members but also any purchasing and supply professional in need of a job. Fred's publication is known nationwide by but those seeking employment and by those looking to hire. To date 700+ individuals have cited gainful employment through Fred's dedication to his peers.

Congratulations to Fred LaVail, C.P.M., A.P.P. for earning the 2004 Harold M. Cosgrove and to the Dallas Affiliate for having the SWSCF outstanding member of the year.

Cosgrove Awardees by Affiliate

Houston

2002 Rita Cardenas, C.P.M.
1996 James N. Batt, C.P.M., A.P.P.
1986 Lee E. Elmore, C.P.M.
1976 Buford Fendlason, C.P.M.
1970 Richard C. Marr
1968 A. L. Sweitzer
1959 John Florian

Central Texas

2001 Ruth King, C.P.M.

Sabine-Neches

2000 Vera Tomlinson, C.P.M.
1995 Jack W. Gardner, Jr., C.P.M.

New Mexico

1999 C. Jean Ele, C.P.M.
1990 Lewis G. Sisneros, C.P.M.
1975 Jay W. Hughes
1973 Robert J. Van Gemert

Austin

1998 Chuck Belise, C.P.M.
1985 Michael J. Moyer, C.P.M.

East Texas

1994 Dennis Ortega, C.P.M.

Tulsa

2003 Eddie R. Burton, C.P.M., A.P.P.
1993 Connie Mullins, C.P.M.
1987 Thomas C. Todd, C.P.M.
1983 Arno F. Kahn, C.P.M.
1979 Richard A. Colvin
1963 L. E. Patton
1957 Ed Jamerson

El Paso

1992 Gregg A. Forzst, C.P.M.
1967 R. S. Smith, C.P.M.

San Antonio

1991 Henry F. Garcia, C.P.M.
1984 James H. Lieberman

1980 T. Allen Burwell, C.P.M.

Oklahoma City

1982 Elmer B. Shellenberger, C.P.M.
1974 Klein Canady
1962 R. J. (Jim) Hood

Corpus Christi

1989 Frank Strickland, C.P.M.

Dallas

2004 Fred LaVail, C.P.M., A.P.P.
1988 Fred V. Ball, C.P.M.
1977 Bruce E. Madden, C.P.M.
1972 Lee E. Darley
1969 John M. Morris, C.P.M.
1965 J. R. Brown
1960 Fred D. Bradley

New Orleans

1981 U. E. Mathis
1978 Richard H. Lacoste

Fort Worth

1971 Kenneth E. Cox, Ph.D., C.P.M.
1966 W. B. Brown, C.P.M.
1961 R. C. (Dick) Fast
1956 Walter Bell

Wichita

1997 Carol Bevelhymer, C.P.M.
1964 Bill Adamek

Texas Panhandle

1958 Jess Pate

TENURE CONGRATULATIONS

Laurie Oberhoff

Awards Committee Chairman

FEBRUARY 2005 5 Year

Bryan Dawson
Brenda S. Schroeder, C.P.M.
Doug C. Campbell, C.P.M., CPIM
Ted F. Callahan, Jr., C.P.M.
Mimi Gonzales
Noel V. Webb

FEBRUARY 2005 10 Year

Marian T. Nimon, C.P.M.
Darren K. Ebanks, A.P.P.

FEBRUARY 2005 15 Year

Kevin Youngblood, C.P.M.
Glenn G. Frank

News & Noteables

If you have "News" or "Noteables", please contact : Edward M. Wahowski
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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 website at:
www.napmhou.org

Certificates Of Appreciation

Certificates of Appreciation may be presented to a deserving member who has performed admirably in one or more tasks, but may not otherwise qualify for another award. The intent of these Certificates is to acknowledge a Member's contribution on a particularly difficult or lengthy task, which has benefited the Association. Nominees for these shall be presented by any Member at any time to the Chairman of the Awards Committee.

NAPM - HOUSTON BUSINESS REPORT

January 10, 2005

JOB GAINS MOVE INTO 2ND YEAR

PMI STILL ABOVE "60", SALES EXPANDING

December saw Houston's economy continue to grow for the 24th consecutive month with the employment growth rate actually improving by 33% in the past month. The December PMI was 60.5, the eleventh straight month in which the PMI was in excess of 60, indicating very healthy economic expansion.

The Sales component of the PMI (there are eight components; see chart below) was steady in December, with thirty-eight per cent of Houston procurement execs reporting that their firms had increased Sales in December, while only seventeen per cent experienced overall reductions in Sales when compared to the previous month. Sales have been reported as generally increasing month-over-month since that index turned positive in January 2003.

The Production index also held a steady growth rate in December with more than twice as many survey participants reporting Production increases in their firms in December as reported net production decreases. Lead Times are still long on many items but appear to be stabilizing to some degree.

Employment continued to grow in the Houston area, according to survey contributors as it has for thirteen consecutive months, with twenty-three per cent of responses for December reflecting net gains in jobs while only seven per cent reported net job losses in the past month. This index will likely rise further over the next quarter as many firms' confidence in where Houston's economy is going becomes more evident.

Prices Paid continues to move up with two-thirds of Houston's contributing supply chain pros reporting higher prices being paid again in December, as they have been reporting since late 2003. Nearly seventy per cent of those buyers reporting are being faced with higher prices each month and some now seem to be steeling themselves for continuing price hikes throughout 2005. It still remains likely, however, that some prices will start noticeable leveling within the next few months; those will probably be followed by others, and that trend will add further impetus to Houston's economy.

Inventories remain a problem: too little to meet customers' growing demands. Certainly this situation could foment more inflation fears.

Items in short supply: Computer parts (old technology), PTFE, PFA, steel, castings, forgings, 12v hydraulic pumps, lumber, tapered roller bearings, winches, flu vaccine, bearings, steel bar, hand rigs, inland barge rigs, blanks for studs, TiO₂, Co-poly PVC resin, steel products.

Prices on the UP side: Resin based items, anything made from polypro (bags, packaging), PTFE, PFA, nylon, energy, etching, bearings, lumber, gas, fuel, ductile, gray iron & steel castings, cartons, chemicals, rope, drill rig rates, rubber molded components, carbon & stainless ring gaskets, fluids, pump products, Co-poly PVC resin, stabilizers, TiO₂, calcium carbonate, polycarbonate resin, steel & related products, stretch film, box sealing tape, poly sheeting, copper, SS, especially T-316, fuel, labor, lubricants, tires, repairs, chemicals, resins.

Prices on the DOWN side: Services, metals & metal products, computer components and memory, IT equipment.

DECEMBER

Index 2004 (9 months)

	UP	SAME	DOWN	N/A	APR	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC
Sales	38%	38%	17%	07%	+49	+43	+31	+52	+33	+40	+48	+21	+21
Production	32%	27%	15%	26%	+33	+29	+33	+40	+37	+24	+11	+19	+17
Employment	23%	70%	07%	00%	+19	+19	+02	+23	+27	+17	+15	+12	+16
Purchases	46%	37%	17%	00%	+35	+31	+38	+37	+31	+40	+26	+26	+29
Prices Paid (Major Purchases)	68%	29%	03%	00%	+65	+65	+51	+52	+53	+51	+52	+63	+65
Lead Times (from Sellers)	49%	46%	05%	00%	+59	+45	+49	+44	+45	+31	+42	+40	+44
Purchased Inventory	15%	37%	17%	31%	+02	+17	+04	+06	+17	+06	+17	+02	-02
Finished Goods Inventory	20%	34%	23%	24%	+04	-02	+07	+06	00	-13	+03	-14	-02

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

NAPM - Houston	01/04	02/04	03/04	04/04	05/04	06/04	07/04	08/04	09/04	10/04	11/04	12/04
Composite PMI	58.3	60.1	63.1	64.6	62.9	60.5	64.4	62.8	62.7	60.2	60.8	60.5

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
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59th Annual Southwest Purchasing Conference
Galveston, Texas October 5 - 7, 2005

Did you know?

The A.P.P. accreditation program is being phased out. The final day to register with ISM for the A.P.P. exam is February 28, 2005. Exams may be taken until February 28, 2006 and the deadline for all A.P.P. Original and Original Lifetime applications must be received by ISM by February 29, 2007. That seems like a long time but two years can fly by in a hurry. See the ISM web site for more details. The EISM (Excellence in Innovative Supply Management) team is working hard on the criteria revisions. In the meantime, go to the web site to bring yourself up to date on the who, what, where and why of the EISM award.

The 59th Annual Southwest Purchasing Conference is a mere 9 months away. Put this in your budget now! The SWPC committee is already hard at work rounding up knowledgeable and engaging speakers, working with the San Luis hotel for your accommodations, contacting vendors for the exhibits and talking about what to eat at the reception.

Want to help? Know a crackerjack speaker? Have a vendor that would like exposure to 200 purchasing and supply decision makers? Call me at 972.205.2425.

Happy New Year All.

Carol Cooper, C.P.M., SWSC Forum Chair



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Address Service Requested

February Menu:

Blackened Salmon Filet
with Braised Leeks on Dirty Wild Rice
and Roasted Pepper Sauce