

Houston Buyline



NAPM - Houston, Inc. Monthly Publication

March 2005

UPCOMING EVENTS

MARCH

4 Plant Tour at HP
1:00 PM
Contact Jo Ann Prazak via email jprazak@paraengr.com for driving directions and further information. No charge for this tour **but you MUST let us know by March 1st** if you will be attending. Earn 1 CEH

8 Dinner Meeting and Mini-Trade Fair
“What attracts people to do business with an organization and motivates them to stay”
Suzanne Penle

Trade Exhibit: 4:00 PM – 6:00 PM
We invite you to attend the annual Mini-Trade Fair, held in conjunction with our March 2005 monthly dinner meeting.

**Sheraton Brookhollow Sheraton
Grand Ballroom
3000 North Loop West
Houston, TX**

31 Annual Roundtable
Speaker schedule and exact times will be posted on the website
**University of Houston
Downtown**

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

**Think Service
Think Value
Think NAPM-Houston**

March 8, 2005 General Meeting

**“If Customer Service is a game,
who made up these rules?”**



Suzanne Penle is a dynamic motivational speaker, trainer, author, coach and consultant, enthraling her clients with unique and engaging ideas and approaches to the customer's demands and protocols.

She's truly an expert in people – knowing what attracts them to do business with an organization and what motivates them to stay.

Suzanne was recently selected as one of the Southwest Shakers, a prestigious award given by the Greater Southwest Chamber of Commerce. She is also a current member of the National Speaker's Association and past president of the American Business Women's Association. She has been honored with the “Woman of Excellence” and “Woman of the Year” awards and serves on the Advisory Board for the University of Houston Business Development Center and the Executive Board of The Women's Home.

Her “million dollar” techniques and approaches have been featured on “World News Tonight with Peter Jennings”, USA Today, The New York Times, The Wall Street Journal and numerous national radio programs. The rave reviews she's received from audiences have made her one of the most sought after experts in her field.

Sample Client List:
Mercedes Benz, USA
Victoria's Secret
American Express
Continental Airlines
CenterPoint Energy
Shell Oil
Schlumberger
Stewart Title
The Methodist Healthcare System
Texas A & M University
Southwest Bank of Texas

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 3/03/05, 5pm)**

When: **4:00 pm - Mini-Trade Fair**
6:00 pm - Dinner
7:00 pm - Program by Suzanne Penle
8:15 pm - Adjourn

NO PRE-MEETING in March. Instead, come early and enjoy the Mini Trade Fair!

Supplier of the Year Awards will also be presented

Please RVSP for dinner meeting by Thursday March 3rd at 5pm at napm-houston@houston.rr.com

EXECUTIVE BOARD

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PRESIDENT'S MESSAGE

March is Supply Management Month. We should take this opportunity to broadcast our contributions and value to our respective management and company. Now is the time to make sure we present ourselves to our respective companies as assets to be utilized. The success of your company should be due in part to the contributions you make as an individual, a team member and a department within your organization through value-added enhancement, cost savings, market knowledge, bench marking and strategic methods.

Are you aware that the 90th Annual International Supply Management Conference being held in our back yard - San Antonio May 8 – 11, 2005. Keynote Speakers include Dieter Huckestine, President of Hilton Hotels will speak about Hilton's balance scorecard system to a competitive advantage, Thomas Siems, Ph.D. - Federal Reserve Bank of Dallas will update us on U.S. Economic Conditions and Productivity, Randall Stephenson – SBC Communications will tell about SBC continually competitive differentiation, Robert Fry, Ph.D. – Dupont and Phylicia Rashad will give us an enthusiastic view of family, community and career. There are three easy ways to register: Via the ISM website at www.ism.org, select Conferences & Programs to complete the registration on line. This will save you \$25.00 and always favored by frugal purchasers. Or get a registration form from any NAPM officer and fax or mail that in.

As members of NAPM-Houston you already recognize the importance of the supply chain profession and the contributions our profession makes to the company's bottom line. Membership in NAPM – Houston shows your desire to be the best you can be in your position. This is why you commit to the monthly meetings, pre-meetings workshops and seminars sponsored by our organization. You take the opportunities offered to advance your skills, keep up with the trends, network, exchange ideas/problems and learn what is new in the supply chain arena. There is no better way in our profession to accomplish those goals than NAPM – Houston and ISM.

At the March NAPM - Houston March 8 dinner meeting we are hosting a Mini-Trade fair. Come join us at **4:00 PM** (earlier time) and meet the various vendors and manufactures to learn more about their services and products. Invite your boss and co-workers to join us. We are proud of what we do and need to share that pride.

Come join us as the first step toward meeting your goals.

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

Calling All Volunteers!

Have you ever wanted to attend the ISM International Supply Management Conference but couldn't afford the registration fee? NAPM-San Antonio, the host of the 2005 conference is looking for part-time volunteers for the conference May 8 – 11, 2005 in San Antonio.

Half day and full day volunteers are wanted for:

- Hallway Monitors
- Workshop Hosts
- Door Greeters
- Hospitality Booth
- Manning the Volunteer and Speaker Rooms.

Experience is not necessary. You do not have to be a NAPM or ISM member to participate. Travel and lodging expenses will not be reimbursed.

Contact Walt Truett (210) 258-9406 or Stephanie Ferraro Diaz (210) 271-1847 for additional details and information.

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

Joaquin Contreras, C.P.M., A.P.P.

Mathew Saha, C.P.M.

Matthew Valentine, C.P.M.

Paul Zimmerman, C.P.M.

March Is Supply Management Month

The Institute for Supply Management defines supply management as the identification, acquisition, access, positioning and management of resources the organization needs or potentially needs in the attainment of its strategic objectives.

At the March general meeting of NAPM-Houston, a certificate from the Mayor's office of the City of Houston will be presented proclaiming – MARCH is Supply Management Month. Come and be present and be a part of this presentation.

Roundtable Purchasing Event

The annual Roundtable at University of Houston Downtown is scheduled for Thursday, March 31st. Speaker schedule and exact times will be posted on the website.

Supplier Of the Year Awards Inside Salesperson and Outside Salesperson Of the Year Awards

The March 8, 2005 General Meeting is Mini-Trade Fair night and Supplier night. This is an opportunity to recognize and show our appreciation to those Suppliers who have made our jobs easier by performing an outstanding job. The awards are: Supplier of the Year, Inside Salesperson of the Year and, Outside Salesperson of the Year. The recipients will be presented a plaque and complimentary dinner. The deadline for accepting nominations was February 8, 2005, General Meeting. Thank you for your nominations.

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 Pam Washington, C.P.M. if you can assist with judging.

Billie Jean Sommer New Member of the Year Award

Once again, it is time to be think about New Members to nominate for the upcoming Bille Jean Sommer New Member of the Year Award to be presented at the May 10, 2005 General Dinner meeting by our Membership Activities Committee. Please contact Mara Stanfield, C.P.M., Chairman for criteria for this award.

Past President's Night, Elections and Certificates of Appreciation

April 12, 2005 is our designated Past President's Night and Election Night. While there are no awards to be presented for these events, Certificates of Appreciation are always accepted. Last year there were lots of them presented. Please take a few minutes to visit the web site, complete a form and send me your Certificate of Appreciation for some you feel deserves appreciation and recognition.

Perfect Attendance Award

Those members who have perfect attendance for all dinner meetings beginning with September 14, 2004 and including the April 12, 2005 (excluding Board Members) will be presented with a perfect attendance award during the May 10, 2005 General Meeting.

TENURE CONGRATULATIONS

March 2005 5 Year

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

March 2005 10 Year

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

March 2005 15 Year

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

News & Noteables

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

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
lapeters@texaschildrenshospital.org

Remaining 2005 Awards & Presentation Dates

Billie Jean Sommer Award	May 10, 2005
Perfect Attendance Gifts	May 10, 2005
President's Plaque	June 14, 2005
President's Medallion	June 14, 2005
President's Gavel	June 14, 2005
President's Gift	June 14, 2005
James O. Cox Award	June 14, 2005
Arnold Yauch Award	TBD

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.

Contact Jo Ann Prazak, A.P.P.,
Professional Development Chair at
jprazak@paraengr.com for more
information about any of the events.

ISM Develops Position Statement On Offshoring

The Mission of ISM is "to lead supply management." One of the ways in which an organization leads a profession is to identify key issues and develop official position statements related to each. Once an issue is identified, ISM staff members research the issue and develop a draft position statement for consideration by members of the Board of Directors. The final approved version of the official position statement is posted on the ISM Web site in the [Online Media Room](#) area (Quick Search: QS130). Depending upon the issue, ISM may also distribute a news release to the media.

Last fall, ISM identified "offshoring" as an important issue for the field of supply management. The official ISM position statement is: **With ongoing demand from consumers for products and services at the lowest possible price, "offshoring" continues to be one of many sourcing decisions a business entity must make in support of the business' overall strategic goals.**

Outsourcing overseas is not a new phenomenon. Business entities have been offshoring for decades with the exodus of jobs making shoes, electronics and toys to developing countries. In addition to "offshoring," for many years businesses have been shifting work from one location in the U.S. to another U.S. location in order to lower costs of operation.

For some industries and businesses, "offshoring" is inevitable and will benefit both the business entity and the ultimate consumers by increasing efficiency, increasing return on investment (ROI), and lowering costs. To remain competitive and sometimes for their basic survival, some businesses must outsource overseas (offshoring) or face closing their doors. For other business entities or situations, offshoring may not be the best decision to meet the overall strategic goals.

Clarification on Changes to A.P.P. Program

With the recent changes to the A.P.P. program, there is some confusion about the timeline for an individual to become an A.P.P. In ISM's initial press release it seemed as if February 28, 2005 was THE deadline -- that if you did not register for the A.P.P. exam by that date, you would never be able to obtain your A.P.P. **This is not true.**

What if you don't register for the A.P.P. exam by February 28, 2005? Under current ISM policy, you can simply take C.P.M. Modules 1 and 2 instead. C.P.M. exam modules can be applied toward the A.P.P. designation (and vice versa).

The most important deadline is February 28, 2007. That is the date by which you must postmark your A.P.P. Original & Original Lifetime application. If you postmark your application after February 28, 2007, you will never be able to become an A.P.P. Theoretically, under current ISM policy, you could pass C.P.M. Modules 1 and 2 on February 27, 2007 and still submit your A.P.P. Original application on time. Under Current ISM policy, candidates who wish to reaccredit may continue to do so -- even after February 28, 2007.

For more details on changes to the A.P.P. program, check out the FAQs section on the ISM website: <http://www.ism.ws/Certification/APPChangeFAQs.cfm>. If you have any questions or concerns, feel free to contact us at certification@ism.ws.

Lead ... By Example

"Leadership is action, not position."

— Donald H. McGannon, former president of Westinghouse Broadcasting Corporation and the National Urban League

March 1, 2005, will kick off a brand-new member recruitment drive for ISM and its affiliated organizations. Titled "Leading by Example," the campaign will emphasize the critical importance of our current members' efforts to bring new members into the organization, and feature cash rewards for individual members.

Although the recruitment drive will be somewhat similar to ISM's Member-Get-A-Member campaigns in the past, there will be some substantial improvements. As mentioned above, the initiative will last nine months instead of the full year, to provide a more actionable time period for affiliates. The reward structure has also been improved:

- The affiliate with the highest increase in membership during the campaign — as well as the winner of the random drawing of those that increase their membership by at least 15 percent — will have their choice of winning a two-day seminar or \$1,500 (member retail price) of ISM educational resource materials.
- On the individual level, each member who recruits at least one new member will receive a compass with the ISM logo (emphasizing the Leading by Example theme). Also, there will be a number of cash rewards in the amounts of \$100, \$200 and \$300, depending on the recruitment level reached.
- The member who recruits the highest number of new members through the campaign will be awarded a trip to the 2006 ISM Annual International Supply Management Conference and Educational Exhibit in Minneapolis.

Promotional materials will feature winners of past ISM recruitment campaigns, sharing some of their thoughts, expertise and advice for recruiting new members.

The new campaign will run through November 30, 2005. Winners will be announced shortly thereafter. Keep an eye out for more campaign information at ISM's Web site, in ISM publications and through the mail.

Please join ISM in promoting this new campaign to current members, and helping them lead by example.

NAPM - Houston Business Report

February 11, 2005

by Douglas R. Miller, C.P.M. 713-988-7306

SALES INDEX SOARS JOBS ACCELERATE, PRICES SOFTENING

January began the New Year with a hefty Purchasing Managers Index (PMI) of 61.7, and solid improvement in all eight components of the PMI.

Sales led the way in January, jumping to an index of 46, compared to December's 21. Fifty-five percent of Houston's supply chain executives reported Sales increases in their firms for the past month while only nine per cent reported decreases in their Sales.

The Production component of the PMI also moved ahead impressively in January with only seven per cent of survey contributors reporting falling Production rates over the past thirty days.

Employment rose to the level it had been in July and August with nearly a third of survey respondents reflecting an increase in hiring while just seven per cent saw job reductions in their organizations.

Purchases showed an overall gain for the month as many firms increased their efforts to build higher levels of inventory. This activity would appear to be an indicator of increasing confidence in the prospects for Houston's economy for the balance of the year.

Perhaps the most positive index for the month was the Prices Paid component which fell noticeably for the first time in three months. There were comments from some survey participants that prices they paid in January appeared to be leveling after a year of continuous increases. It is likely that this trend will try to continue, if slowly, for several months, easing the most major hurdle to long term economic growth, locally and nationally.

Lead Times also softened as more firms began to match their Production rates with their Sales demand. This adjustment, if continued, will also remove some of the inherent price pressure.

Both Purchased Materials Inventory and Finished Goods Inventory were increased measurably for the first time since early 1997. These are clear indicators of a developing balance that will allow significant improvement in the supply-demand ratio.

January has produced a set of indices that appear to pave the way for 2005 to reach and possibly maintain a growth rate not seen in Houston for several years. The foundation is developing nicely.

Items in short supply: Steel & related products, prevnar vaccine, bearings, castings, forgings, pumps & pump parts, TiO2, hard drives, PCB's, fabricated metals, lease trucks, truck drivers.

Prices on the UP side: All plastic resin and resin items, winches, bearings, fuel, vaccines, stainless steel. pumps, PVC sheet stock, acrylic tubes, polypropylene rope, epoxy resins, acetone, phenolics, carbon & stainless ring joint gaskets, custom molded rubber goods, calcium carbonate, pigments, plasticizers, stabilizers, electrical steel, aluminum, steel & related products, T316 SS, tires, lubricants, wages.

Prices on the DOWN side: Computer components, computers, IT services, galvanized steel.

JANUARY

Index 2004/2005 (9 months)

	UP	SAME	DOWN	N/A	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC	JAN
Sales	55%	30%	09%	06%	+43	+31	+52	+33	+40	+48	+21	+21	+46
Production	36%	32%	07%	25%	+29	+33	+40	+37	+24	+11	+19	+17	+29
Employment	32%	61%	07%	00%	+19	+02	+23	+27	+17	+15	+12	+16	+25
Purchases	45%	48%	07%	00%	+31	+38	+37	+31	+40	+26	+26	+29	+38
Prices Paid (Major Purchases)	59%	36%	05%	00%	+65	+51	+52	+53	+51	+52	+63	+65	+54
Lead Times (from Sellers)	34%	64%	02%	00%	+45	+49	+44	+45	+31	+42	+40	+44	+32
Purchased Inventory	30%	33%	04%	33%	+17	+04	+06	+17	+06	+17	+02	-02	+26
Finished Goods Inventory	23%	39%	14%	24%	-02	+07	+06	00	-13	+03	-14	-02	+09

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

NAPM - Houston	02/04	03/04	04/04	05/04	06/04	07/04	08/04	09/04	10/04	11/04	12/04	01/05
Composite PMI	60.1	63.1	64.6	62.9	60.5	64.4	62.8	62.7	60.2	60.8	60.5	61.7

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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Responses To Special Questions – NAPM-Houston Business Report

December 2004

In 2005 my firm anticipates:	<u>% Of responses</u>	Labor costs to:	<u>% Of responses</u>
Sales to:		Increase by more than 10%	0
Increase by more than 10%	30	Increase by 5 - 10%	4
Increase by 5 - 10%	37	Increase by 0 - 5%	85
Increase by 0 - 5%	22	Remain at last quarter 2004 levels	7
Remain at last quarter 2004 levels	7	Decrease by 0 - 5%	4
Decrease by 0 - 5%	4	Decrease by 5 - 10%	0
Decrease by 5 - 10%	0	Decrease by more than 10%	0
Decrease by more than 10%	0	Does your firm expect the 2005 Houston economy overall to:	
Employment to:		Grow by more than 10%	4
Increase by more than 10%	7	Grow by 5 - 10%	17
Increase by 5 - 10%	7	Grow by 0 - 5%	71
Increase by 0 - 5%	37	Remain at last quarter 2004 levels	8
Remain at last quarter 2004 levels	41	Contract by 0 - 5%	0
Decrease by 0 - 5%	4	Contract by 5 - 10%	0
Decrease by 5 - 10%	4	Contract by more than 10%	0
Decrease by more than 10%	0	Does your firm plan some level of capital expansion in 2005?	
Purchase prices to:		Yes, major	21
Increase by more than 10%	0	Yes, minor	33
Increase by 5 - 10%	33	No, little to none	46
Increase by 0 - 5%	48	Does your organization plan to increase overall inventory levels	
Remain at last quarter 2004 levels	19	(raw, semi-finished and/or finished goods) in 2005?	
Decrease by 0 - 5%	0	Yes	33
Decrease by 5 - 10%	0	No	67
Decrease by more than 10%	0		
Is your firm concerned about inflation becoming a hindrance to economic growth in Houston in 2005?			
Yes, very concerned	0	Not very concerned	44
Yes, somewhat concerned	17	No concern at all	13
Yes, slightly concerned	26		
Does your firm believe that the threat of terrorism is impeding the growth of the Houston economy?			
Yes, definitely	0	Probably not	58
Yes, to some degree	13	No, not at all	21
Yes, slightly	8		



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

Address Service Requested

March Menu:
 Seared Pork Tenderloin
 with Baked Sweet Potatoes,
 Apricot Veal Glace and Almond Green Beans

Proposed By-Law changes:

On January 14, 2004, ISM members voted to approve ISM's revised bylaws. All ISM affiliates are required to update their bylaws to comply with the bylaws of ISM and submit them to ISM for approval and retention. Each affiliate develops its own bylaws and operating policies, but we must match ISM's bylaw's on two specific items:

- A statement that the organization is incorporated as a nonprofit or not-for-profit corporation, either as 501(c)(3) or 501(c)(6).
- A definition of Regular Membership.

National has changed their definition of Regular Membership to read:

"Any person interested in the supply management field shall be eligible to be a Regular Member of an Affiliated Association provided that such person (i) is not primarily engaged in sales activity; or (ii) does not solicit business on behalf of such person or his or her employer during meetings of any ISM activity, including without limitation, meetings of Affiliated Associations (including chapters), ISM Committees, and ISM Groups and Forums. For the purposes of this section, "primarily" shall mean a majority of a person's time. However, no person shall be ineligible by reason of incidentally disposing of scrap, surplus stock, or equipment of the concern by which he or she is employed. The eligibility of an editor, secretary or business manager employed by an Affiliated Association shall not be affected by reason of sales activity directly related to any magazine, bulletin or other publication, or exhibit, product, show or similar activity sponsored by such association."

NAPM-Houston is also required to change of definition of Regular Membership to match.

_____Approve _____Disapprove

**Please bring this ballot to the APRIL 2005 dinner meeting.
(It will also be included in the April newsletter.)**