

Houston Buyline



NAPM - Houston, Inc. Monthly Publication

January 2006

UPCOMING EVENTS

January

9th & 10th **Boot Camp for the Buyer/Planner**

10th **Dinner Meeting**

15th & 16th **Improving Negotiating Skills**

University Of Houston Clear Lake Center for Advanced Mgmt Programs

21st **Career Services Seminar:** "The Science and Process of Finding Your Next Job"

February

9th **ISM Satellite Seminar** - "Ethics in Supply Management – Minding Your Actions and Decisions"

14th **Dinner Meeting**

17th & 18th **C.P.M. Review**

Check out the details for all events

www.napmhou.org

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

January 10th General Meeting "Life is One Big Negotiation – Relational vs Tactical Negotiations"



Lorrie K. Mitchell, C.P.M., A.P.P., is a Partner in Mitchell Enterprises, a consulting / training firm specializing in supply chain management, performance based contracts, and supplier relationships. Formerly as a Supplier Alignment Leader in the supply chain management department of BellSouth Telecommunications, Inc. for over 18 years, Ms. Mitchell negotiated all types of product, software, services, and outsourcing agreements specializing in corporate licenses and maintenance agreements, performance based agreements, initiating, maximizing, and ending supplier relationships/alliances, and the measurement of supply chain management's financial contribution to the corporation. She has a bachelor's degree in mathematics from the University of Miami and a Master of Science in technology management from the Stetson School of Business and Economics of Mercer University. Ms. Mitchell has served as a full-time faculty member at the Keller Graduate School of Management where she taught contracting and procurement management.

She has presented sessions at the Institute for Supply Management's (formerly NAPM) 82nd - 88th International Purchasing conferences, The Management Roundtable's International Conference on Product Development and the Supply Chain, ISM's Supply Chain Management Conference, APICS Mid-Atlantic Supply Chain Management Symposium, Ms. Mitchell serves on the Editorial Advisory Board of *Supplier Selection & Management Report*, was 2002-2003 President of NAPM – Georgia, and served on the ISM National Leadership Training Committee. In addition, Ms. Mitchell was profiled in *Purchasing Magazine*, *The Career Advisor*, and in the book *THE TITAN PRINCIPLE - The Number One Secret to Sales Success*. She authored articles published in *Purchasing Today*®, *Business & Industry Connection Newsmagazine*, *Purchasing Law Report*, 1997-2003 issues of *NAPM Proceedings*, and authored the entire April 1999 issue of *InfoEdge*® entitled *Alliances: How To End An Alliance Relationship*.

PRE MEETING

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 Thurs, Jan 5th, 5pm)

When: **5:30 pm – Pre-Meeting**
6:00 pm - Dinner
7:00 pm – Program
8:15 pm - Adjourn

Please RVSP for dinner meeting by Thursday, January 5th at 5pm at napmhou@earthlink.net

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PRESIDENT'S



MESSAGE

The beginning of the year is a perfect time to evaluate your own continuing education plan for 2006. Weather it consists of registering for our NAPM Houston hosted C.P.M. review scheduled for February 17th & 18 or by taking advantage of our other local seminars.

January signifies the start of our local program schedule with several opportunities to participate locally in both traditional seminars, a facility tour combined with case study interaction, and a career oriented seminar to assist or open new avenues in job placement.

NAPM Houston will be Co-Sponsoring a two traditional boot camp style seminar with Austin based Nahabit & Associates on January 9th & 10th for the Buyer Planner. Then on January 13th, a unique opportunity to tour NASA's Neutral Buoyancy Laboratory and experience the challenges in supporting the Space Shuttle's supply chain through three interactive case studies. Our own Career Services Seminar scheduled for January 21 titled "The Science of Finding Your Next Job" will round out the month with useful information on current job search techniques.

January is also the time to be thinking of our local Boss of the year award nominations, with the award presented at our February 14th dinner meeting and our Supplier Award nominations, with the award presented at our March 14th dinner meeting.

So check our association website for the latest in association news and seminar opportunities and plan to join us on the second Tuesday of the month for our General Meetings starting January 10th.

Regards,
Ed Wahowski

2006 Membership Dues for ISM and/or NAPM-Houston, Inc.

Most 2006 dues invoices with the prepaid dinners option, were distributed at the November 8 dinner meeting, or mailed the week following. If not received, please contact your company coordinator or 713 702-0056, 713 702-5072, or docstelz@swbell.net. Payments are payable now through January 10, 2006.

2006 Southwest Purchasing Conference

Four NAPM-Houston Members are serving on the 2006 Southwest Purchasing Conference committee. They are: Kim Wren as Education Co-chair, Bette Bryan as Registration Chair, Bob Engel as Golf Chair and Sharon Malkovicz as Chair of the Southwest Supply Chain Forum.

The 2006 Southwest Purchasing Conference will be held October 5-6, 2006 in Albuquerque, NM. It just so happens that Albuquerque's annual balloon festival starts on Saturday, October 7th.

Professional Development

CAREER SERVICES SEMINAR: "The Science and Process of Finding Your Next Job" is scheduled for Saturday, January 21, 2006 at the AMEC Paragon facility. This seminar will be presented by Between Jobs Ministries and is worth 4 CEH's. Contact Marc Wiley at 832-369-1379 for more information.

SATELLITE SEMINAR -- The next one scheduled is Thursday, February 9, 2006 at the Aramco Services facility. The topic is "Ethics in Supply Management – Minding Your Actions and Decisions". To register contact Dora Valdez at DA.Valdez@AramcoServices.com. This seminar is worth 4 CEH's.

C.P.M REVIEW: The lecture style 2-day C.P.M. Review is scheduled for February 17th & 18th. Mr. Frank Quiett will be presenting this review, along with useful study tools to help you pass the C.P.M. exam. Order your C.P.M. Guide through I.S.M and start studying now. Contact Jo Ann Prazak at joannprazak@yahoo.com if you are interested in participating.

The next Pro-D Committee meeting is scheduled for January. If you would like to participate, please contact Jo Ann Prazak.

Rare Opportunity for Low Cost Quality C.P.M. Review Seminar

Supply Chain Management is all about value! Now here's an example of how NAPM-Houston has added significant value to your membership.

For the first time in as long as anyone can remember, a C.P.M. Review seminar is being offered to the members at a minimal cost of only \$20 per day. Past seminars have cost participants hundreds of dollars. Don't be deceived by the low price. This is a quality learning experience. Mr. Frank Quiett as you may recall was our dynamic speaker at the November general meeting. In February he will share more of his passion and energy for the C.P.M. certification. He's a wonderful teacher with many years of hands on experience. You will not be disappointed.

So mark your calendars for February 17th & 18th. Plan on being at the Brookhollow Sheraton beginning at 8:00 a.m. both days. Your fee includes Breakfast and lunch. How can you lose on this one? All you need to do is fill out the registration form which is on the website. Review of the C.P.M. Study Guide prior to review is recommended.

Boot Camp For The Buyer Planner January 9 & 10, 2006

Presented In Houston By: Nahabit & Associates
Co-Sponsored By: NAPM-Houston

January 9th Day 1: Essentials For The Planner

This seminar is designed to assist the newcomer to the planning function. The attendee will be exposed to inventory principals, concepts and control.

January 10th Day 2: Essentials For The Buyer

A seminar designed to assist the newcomer to the Purchasing function. The attendee will be exposed to purchasing processes employed in the procurement of goods and services required by the employees firm.

Additional Information & Registration At
<http://www.purchasingseminars.com/BY-PL.html>

TENURE CONGRATULATIONS

JANUARY 2006 5 Year

Adina Anwar
Anthony Smith
Duane Greenley, C.P.M.
Janice Trevino
Kenneth R. Morrison
Mary L. Groves
Pamela Washington, C.P.M., A.P.P.
Randal D. Gober
Sam Thomas
Shana Carrillo
William A. Nahill

JANUARY 2006 10 Year

Donald J. Lafont, C.P.M.
John H. Nicholson
Lisa M. Honey

JANUARY 2006 15 Year

B. A. Key
Carlene Jackson
Dirk McLeod, C.P.M.
Gerald "Keith" Luce
William L. Guice

JANUARY 2006 20 Year

Daniel O. Coleman, C.P.M.
Melvin Lee Emmons

JANUARY 2006 25 Year

Charles R. Hall
E. Keith O'Brien, C.P.M.
Gregory W. Herring, C.P.M.

JANUARY 2006 30 Year

Donald McGee, C.P.M.

**Think Service
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Featured Board Member Of The Month

PHYLLIS H. GRAHAM

Phyllis H. Graham is Supplier Diversity Program Manager for Continental Airlines, Inc., a position she has held since February 10, 2003. In this role, she is responsible for the administration and reporting functions of the program. She is the corporate contact for suppliers seeking to do business with Continental Airlines as small and diverse suppliers, ensuring that they have equal access to business opportunities with Continental.

Prior to joining Continental Airlines in 1996, Ms. Graham owned and operated a photography studio and custom lab. Since joining Continental, Ms. Graham has held several positions of increasing responsibility in Purchasing and Material Services.

Ms. Graham attended the University of Houston and resides in Houston, Texas, with her son.

Nominations Now Being Accepted

Carol Brace -Awards Committee Chairman

2006 Boss of The Year Award Once again it is time for accepting nominations for 2006 Boss of the Year Award to be presented at the February 14, 2006 "Bosses Night" General Meeting.

Forms will be available on the web site www.napmhou.org under the Awards link, at the General Meetings in November and January, e-mail request to cbbrace@hp.com, or by phone request to 281-518-1754. Fax them to 281-518-6616 or send via E-mail. The deadline for accepting nominations is January 10 at the General Meeting.

2006 Supplier, Inside Salesperson and Outside Salesperson of the Year Awards 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 14, 2006 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 cbbrace@hp.com or by phone request to 281-518-1754. Fax your nomination forms to 281-518-6646 or send via E-mail. The deadline for accepting nominations is February 14 at the General Meeting.

Boss of The Year, Supplier of the Year and Inside/Outside Salespersons of the Year Awards shall be presented to Members/Non-Members upon meeting the criteria and processes established by the Awards Committee and in accordance with both Board policy and the Manual of Duties.

The Boss of the Year Awards should favor a nominee who is a Member/Non-Member who has demonstrated outstanding support in the area of career development.

The Supplier and 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.

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.

NEWS & NOTES

Condolences

Dolores Hattox, mother of Walter Hattox, our President 1997-1998, passed away on October 20, 2005. She is survived by her children Kirby Hattox, Walter Hattox, and Gail Ogletree, in addition to six grandchildren and four great-grandchildren. NAPM-Houston extends sincere sympathy to Walter and his family for the loss of their loved one.

Congratulations

Congratulations are extended to Mike Valant, our current Past President, on the birth of his new grandson, Joseph Dominic Valant, born October 24, 2005. "JoJo" weighed in at 7 lbs. 15 oz. and is 21-1/4" tall. JoJo's parents are Mike's oldest son, Tanner, and his wife Julie.

Please join us in wishing NAPM-Houston's President Ed Wahowski and his wife Annie a happy anniversary. Their 25th wedding anniversary was November 8th.

Get Well Wishes

Get well wishes are extended to Marie Pucek who is convalescing from recent knee surgery. Marie is the mother of Laurie Oberhoff, our Communications Chairperson.

Check us out at
www.napmhou.org

“Blast Off”

The New Year with the NASA Symposium & Tour
Friday, January 13th



The United Space Alliance (USA) and NAPM Houston invite you to join us for a Supply Chain Management (SCM) Symposium and plant tour. We recruited some top-flight speakers too. **Your only cost is ten dollars for lunch and your time.** How could you resist such a generous offer?

Our first tour will show you how Astronauts train for their missions at the Neutral Buoyancy Laboratory (NBL) where they train for space walks in a pool 40 feet deep and over 150 yards long. Entire Space Station mockup modules are submerged in the tank. Astronauts train in the best micro-gravity environment available here on Earth before flying. Plan on sixty minutes with registrants limited to twenty-four total. Due to demand, we open a second tour where you can learn how NASA's Food Services Laboratory plan, order and

kit provisions for Astronauts' Space Shuttle missions and future missions to Mars. Learn how NASA is addressing the logistics today since spoilage and provisions becomes much more difficult for Mars travel. This Laboratory is on the Johnson Space Center (JSC) and requires a driver's license and American citizenship for admission. Plan on sixty minutes for the tour with registration limited to twenty.

Have you thought what do the Astronauts think of SCM? To answer the question, the USA team requested an Astronaut to relate how important SCM is to each mission and the Space Shuttle program. The production will relate the subject at every level. Join us and have your curiosity satisfied! How can you resist such a generous offer?"

Author: **Joseph P. Faulkner**, Subcontract Administrator, United Space Alliance, L.L.C

"When I lived in Spokane, Washington I was amazed at how few people ever made the two and one-half hour drive North to Canada. Alberta and British Columbia, I learned over many vacations, are so interesting, beautiful. Have you ever been to New York City and visited the Statue of Liberty? I imagine that most city residents never visited the Statue. Human nature lends itself to getting around to seeing or doing sometime in the future -- procrastination! How many Houstonians, having lived in 'Space City' all their lives, never visited the Johnson Space Center (JSC)? I imagine most city residents are like those in New York and Spokane. So here is your opportunity to learn about why Houston is called 'Space City' and learned a lot about your profession too!

Scott Sealing, the Project Leader for the USA's Supply Chain Management Council will describe the USA's approach to managing Space Shuttle operations using SCOR and Lean Six Sigma. Have you ever wondered about the logistics of space operations? Mr. Sealing's briefing will captivate your attention for the entire forty-five minutes. Mr. Sealing briefs industry groups from Anaheim, California to Philadelphia, Pennsylvania drawing on his 20 plus years of aerospace industry experience. David W. Finkel, Director of the USA's Subcontract Management Directorate, will share his experience and insight showing how staff need to consider themselves as Supply Chain Managers. Mr. Finkel started his aerospace career as a Commissioned Officer in the United States Air Force. His experience includes management of Contracts, Proposals & Pricing operations as well as Subcontracts & Procurement operations in both the government related and commercial industries. Today, his directorate works contractual and operational issues supporting the Shuttle Operations program and USA's new business pursuits.

Finally, two USA Procurement staff and their Supplier counterparts will describe the challenges and successes of partnering to improve the supply channel for Space Shuttle provisioning and Computer Operations.

See NAPM-Houston website for registration form and driving directions.



NAPM - Houston Business Report

December 12, 2005

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

ECONOMY GROWTH ACCELERATES

SALES, PRODUCTION JUMP - JOBS GROW, BUT SLOWER

The Houston economy saw a serious growth spurt in November, as the PMI jumped from 59.2 in October to 63.9 for the month just ended. This places November as one of only half a dozen months in the past ten years that have neared or exceeded a PMI of 64. The Houston PMI has now been on the far side of 60, indicating very healthy growth, for twenty of the past twenty-three months.

Sales and Production components of the PMI both saw significant growth in November, with both nearly doubling their index from the prior month. Only eight per cent of survey contributors reported lesser Sales in November against October, down substantially from the twenty-four percent who so reported in October. The Sales index of 50 for the month ranks as one of very few times that this index has been at or above its present high water mark.

The Employment index slipped from its higher readings throughout the year, with twenty-eight per cent of survey participants reporting net increases in jobs for the month, while 58% reported no change in their employee levels. November was the twenty-fourth consecutive month in which employment grew in the Houston area.

Purchases were increased in November by well over half of the firms represented while only seventeen per cent of those surveyed reported a reduction in purchases for the month. Purchases of goods and services have steadily increased for more than two years, according to Houston supply chain execs.

Prices Paid softened slightly from its October high but still recorded the second highest reading of the year for this category. Two thirds of survey respondents reported paying higher overall prices in November than they paid in the prior month; eleven percent reported lower overall prices being paid during the month.

The Lead Times component of the PMI remained close to where it has been for the past six months, with nearly 40% reporting longer shipping times, while over half saw no change in shipping lead for the month.

Inventories were flat for the month: no net increase or decrease. It appears that Houston's economic growth will continue will into 2006, with Sales and Production numbers continuing to lead the way.

Items in short supply: Freight, petroleum resin based products, carbon fiber, flu vaccine, bearings, SS fasteners, 2 watt motors, refrigeration components, titanium parts, TiO2, suspension resins, nickel coated copper, lease trucks, CS sheet products.

Prices on the UP side: Surcharges on petroleum based items & freight, plastic resin, packaging, bronze gears, vaccine, neoprene, transportation, paper roll towels, toilet tissue, energy, stretch wrap, suspension resins, packaging, pigments, PVC resin, LTL rates, TL rates, galvanized steel, steel rod/bar, copper, aluminum, electrical insulating polymers, electricity, PVC, CPVC, fittings, wages, services, aluminum ingot.

Prices on the DOWN side: Gasoline, electronic components, calcium carbonate fillers, corrugated, pre-paint steel, fuel, stainless surcharge, nickel.

November

Index 2005 (9 months)

	UP	SAME	DOWN	N/A	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV
Sales	58%	26%	08%	08%	+24	+42	+51	+34	+45	+46	+45	+26	+50
Production	47%	23%	08%	22%	+11	+34	+47	+31	+35	+31	+31	+17	+39
Employment	28%	58%	14%	00%	+18	+31	+28	+18	+30	+34	+27	+20	+14
Purchases	56%	27%	17%	00%	+39	+36	+23	+46	+48	+38	+35	+23	+39
Prices Paid (Major Purchases)	66%	23%	11%	00%	+49	+34	+25	+25	+27	+22	+42	+62	+55
Lead Times (from Sellers)	39%	56%	05%	00%	+39	+36	+20	+34	+31	+45	+38	+37	+34
Purchased Inventory	14%	36%	14%	36%	+21	+26	+05	+12	+17	+17	+11	+15	+00
Finished Goods Inventory	25%	36%	25%	14%	+08	+17	+03	-03	-10	00	+10	+06	+00

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

NAPM - Houston	12/04	01/05	02/05	03/05	04/05	05/05	06/05	07/05	08/05	9/05	10/05	11/05
Composite PMI	60.5	61.7	59.0	58.2	60.8	62.9	61.0	63.7	62.9	62.1	59.2	63.9

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

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