

UPCOMING EVENTS

March

14th **Dinner Meeting & Supplier Expo**

18th **Sarbanes Oxley - Saturday Seminar Series**

27th-28th **Advanced Purchasing Strategies** - University Of Houston Clear Lake

29th-30th **Legal Aspects of Purchasing** - University Of Houston Clear Lake

April

11th **Annual Meeting**

29th **ISM Satellite Seminar**
"Risk and Change Management: Surviving in a Dynamic Business Environment"

25-26th **Improving Negotiating Skills** - University Of Houston Clear Lake Center for Advanced Management Programs

27-28th **How To Purchase Services** - University Of Houston Clear Lake Center for Advanced Management Programs

Check out the details for all events

At:

www.napmhou.org

Think Service
Think Value
Think NAPM-Houston

March 14th General Meeting "Gender Benders"

Gender Benders is a humorous and thought provoking keynote that reveals the truth and the positive differences between men and women. Discover how misread messages, including body language, communication styles, thought processes and decision making styles contribute to frustration and stress in the workplace and your personal life.



For over 25 years **Karen McCullough** has been developing creative solutions for motivating people to get excited about their job, their career and their life. Karen believes that the key ingredient to any successful organization is the PEOPLE. It's the attitude and the energy of the people that makes or breaks a business. Karen focuses on showing people how to increase their credibility, leadership capabilities, and overall professional presence.

As an Educator, Businesswoman, Entrepreneur, and CEO, Karen McCullough delivers killer keynotes and entertaining programs with a shot of energy—quick, painless, and full of humor! Karen shares business insights and life principles centering on her core message that building strong business and work relationships results in improved performance. Karen is President of the National Speakers Association - Houston. She is also active in Dress for Success and The Women's Home. Karen's current clients include The World Bank, Merrill Lynch, State Farm, Shell Oil, Sun Microsystems and MD Anderson Cancer Center. Karen is the mother of two great kids, Ben and Meredith, and grandmother to Ben's dog Hub. *(courtesy of Kim Wren)*

PRE MEETING

SUPPLIER EXPO - 4:30 pm - 6:00 pm

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 RSVP for dinner meeting by Thursday, March 9th at 5pm at napmhou@earthlink.net

EXECUTIVE BOARD

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edward.m.wahowski@williams.com

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Special Activities

Valarie J. Cross
Enterprise Products
vcross@eprod.com

PRESIDENT'S



MESSAGE

Supply Management: Maximizing Opportunities, Managing Risk

March is Supply Management Month. As Supply Management professionals, March is our month to spread the word and gain recognition, and communicate the value of our profession to the public and within our organizations.

NAPM Houston in conjunction with various supply management associations worldwide will be celebrating Supply Management Month to recognize the role of supply management professionals in helping to build better relationships within our organizations. Supply Management is defined as the identification, acquisition, access, positioning, and management of resources the organization needs or potentially needs in the attainment of its strategic objectives. This year's theme for this special month is: Supply Management: Maximizing Opportunities, Managing Risk.

Supply management has evolved over the years; due to the development of information technology from a transactional based tactical procurement function to a process oriented strategic role of within our organizations. This special month recognizes the role of supply management professionals in this transformation.

NAPM Houston will be hosting its March 2006 Trade Expo at 4:30 prior to the March 14th general meeting as well as honoring our 2006 Supplier of the Year in celebration of Supply Management Month. I would like to personally invite all of our members to join us and help promote these events and support our sponsoring trade fair exhibitors. Your support as members and their sponsorship is critical in helping us achieve our mission of providing continuing education and development opportunities of the supply chain professional through training programs, seminars, workshops, and speakers on a local level.

I am pleased to report that that membership participation in our seminars and programs has been good this year with both satellite seminars offered to date attracting between 40 – 50 per session; the January Career Services Seminar having 25 participants; and that 57 members attended the recent 2 day lecture style C.P.M Review. We still have 2 additional Satellite Seminars scheduled in April and June; and a Saturday Seminar on Sarbanes Oxley on March 18th all offered at no cost to our members.

So plan to come on out and participate in our programs and events, and join us in celebrating Supply Management Month at our March 14th general meeting starting with our 2006 Trade Expo at 4:30 P.M.

Regards,
Ed Wahowski

713-215-4211
edward.m.wahowski@williams.com

Notice of Annual Meeting April 11, 2006

By: Edward M. Wahowski, President, NAPM Houston Inc.,

The Annual Meeting of NAPM Houston Inc., will be held in conjunction with the April 11, 2006 General Meeting for the election of officers for the 2006 – 2007 program year.

Date: April 11, 2006
Time: 6:00 P.M. – 8:30 P.M.
Location: Sheraton Houston Brookhollow
3000 North Loop West
Houston, Texas 77092

NAPM Houston Inc., will be electing the positions of Vice President and (1) Local Director to begin their terms for the 2006 – 2007 program year beginning June 1, 2006.

The following nominees were approved by the NAPM Houston Board of Directors during the February 21, 2006 Board Meeting.

Vice President Candidates:

Bette J. Bryan, C.P.M. – Enterprise Products Company
Laurie D. Oberhoff – Tecmag, Inc.,

Local Director Candidates:

Carlene Jackson – Stewart & Stevens Inc.,
Jo Ann Prazak, A.P.P. - AMEC Paragon, Inc.,
Mara Stanfield, C.P.M. –Belmont Corp.
Kim Wren, A.P.P. – Amegy Bank

Ballots will be available online at www.napmhou.org the week of March 13, 2006 and at the General Meeting April 11, 2006. All NAPM Houston Regular Members in good standing and Life Members shall have the right to vote in the local NAPM Houston Inc., annual election.

Past Presidents Honored During April Dinner Meeting

By Marian Nimon, C.P.M.

NAPM-Houston will host Past Presidents' Night in conjunction with the April General Meeting on Tuesday, April 11th. Past Presidents will be honored for their dedication and contribution to the success of our organization. Past Presidents unable to attend may wish to communicate an update on their current activities to Marian Nimon. Questions and updates should be directed to Marian at mnimon@mdanderson.org or 713-745-8352.

SATELLITE SEMINAR

“Risk and Change Management: Surviving in a Dynamic Business Environment”

The constant change in technology and the expanding global economy demand more sophisticated ways to mitigate and reduce potential conflicts. Gain a thorough understanding of how to manage risk and prepare for change. Know what to do when conflicts arise and how to ensure security. The discussion includes other supporting topics.

The next one scheduled is Thursday, April 20, 2006 at the Aramco Services facility. This seminar is worth 4 CEH's.

To register contact Dora Valdez at DA.Valdez@AramcoServices.com.

NEWS & NOTES

Sincere sympathy is extended to Kent Mansfield and his family on the passing of his son last November. We regret that we were late in getting this news.

Condolences to Carol Brace, our Awards Chair, and her family on the passing of her father, Charles Barclay, on January 24, 2006, after a brief battle with cancer.

Congratulations are sent to Susan Espree. Susan transferred to Houston from New Orleans after Hurricane Katrina. Susan begins a full time/permanent position February 1, 2006 with IKEA North America

Congratulations to Mike Valant, C.P.M., A.P.P., who has another new beautiful granddaughter. Trisha Jace Valant was born February 4, 2006, weighing in at 7 lbs 3 oz. and 20" tall. Father and mother are Sean and Amanda Valant. Sean is Mike's second son.

Sarbanes Oxley – Saturday Seminar Series

Presented by: Bob Engel, C.P.M.

**Registration Deadline: Thursday
March 16, 2006**

Topic: Sarbanes Oxley Implications
and Emerging Trends in Supply Chain
Management

Location: AMEC Paragon 10777 Clay
Rd. Houston

Time: 8:00 am - 12:00

Cost: No Charge

Contact: Nancy Wimberley at
nwimberley@fbssvcs.com 713-
580-3417 to register.

Think Service

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NAPM-Houston Supplier Expo

NAPM-Houston invites you to attend the annual Supplier Expo held in conjunction with NAPM-Houston's March 14, 2006 dinner meeting.

NAPM-Houston, Inc. is the local affiliate of the Institute of Supply Management, a professional trade association for local members working in purchasing, supply chain and materials management fields. Our membership represents all industry segments including; healthcare, oil and gas, manufacturing & distribution, petrochemicals and technology.

- What:** An opportunity to network with industry procurement professionals.
- When:** March 14, 2006
Trade Exhibit 4:00 pm - 6:00 pm
Dinner & Meeting 6:00pm - 8:00pm
- Where:** Sheraton Brookhollow Hotel, 3000 North Loop West, Houston, Texas
- Cost:** \$250.00 fee includes display table, 2 dinner tickets and a link on our website, <http://www.napmhou.org/> . Additional dinner tickets are available at \$27.00 each.

Please complete the registration form and submit it with payment by March 1, 2006 to the following address:

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

If you have any questions, please contact: Valarie Cross: 713.803.2403 E-mail: vcross@eprod.com

Company Name: _____

Address: _____

Contact Person: _____ Phone: _____

E-mail Address: _____

No. Of Person(s) Attending: _____ Additional Dinner Tickets: _____

Payment Method: Check #: _____ Amount: _____

Credit Card: (check one) Visa MasterCard American Express

Credit Card Number: _____ Expiration Date: _____

Signature: _____

The following information will be utilized for the event program:

Brief explanation of services provided/products offered: _____

Company Website: _____

NAPM - Houston Business Report

February 10, 2006

by Bette J. Bryan, C.P.M. 713-803-8758

PMI AT RECORD HIGH

SALES AND PRODUCTION JUMP, PRICES STABILIZING

On this, the eleventh anniversary of the NAPM – Houston Business Report, Houston's economic growth took an unprecedented upturn. The PMI hit an all-time high of 67.9. The highest historical PMI previously was 64.6, reported in both April 2004 and May 1997. The PMI has held steady in the range of 58-64 for the past two years. This is the 37th consecutive month of growth, and this month's jump reflects an acceleration of economic strength.

The leading indices this month, according to Houston's purchasing professionals, are Sales and Production at 59.0 and 63.0 respectively. Both of these numbers are all-time record highs for these categories. Sales have been on the rise over recent months, and only 7% of the surveys received this month reported decreased sales. (Comparison between Dec & Jan) Recent months showed Production lagging behind Sales in increases. January corrected the imbalance. This month's comments from survey contributors are exceptionally optimistic towards continued growth.

Employment also showed marked increases over previous months. 40% of those surveyed reported an employment increase for the past 30 days. That number is up from 26% in December. Purchases of Goods and Services gained 18 index points from December to January for this category. 63% of survey respondents reported increased purchasing activity for January. As in December this indicates a solid backlog of booked sales. Price increases slowed with 60% of the contributors surveyed reporting prices leveling out, as opposed to 47% in December. This current trend, seen in recent months, was punctuated in January, and will further stimulate economic growth.

Lead Times reflect the same leveling trend to a lesser degree. Following that trend will tend to reduce inflationary pressure in the next few months. Finished Goods Inventories, at a -7 index, dropped significantly from the flat numbers reported in November and December. Purchased Goods Inventory rose significantly, indicating that availability of some commodities is improving.

Items in short supply: Hydraulic cylinders, steel plate (allocations), specialty track tubes, specialty valves, hydraulic valves, molded rubber products, rubber compounds, large bearings, 7 5/8 casing, land and barge rigs, tugs, barges.

Prices on the UP side: Fuel, gasoline, diesel, lubricants, all paper product, electric winches, wire rope, bearings, welding gas, aluminum and aluminum products, plastic, silicone, adhesive related products, batteries, office supplies, custom rubber parts, TiO₂ pigment, rail service, high grade steel, copper and copper wire, elastomers.

Prices on the DOWN side: Computers and computer components, DINP, plasticizer, electrical components, PCBA's, corrugated, LTL freight costs, package delivery.

January

Index 2005 (9 months)

	UP	SAME	DOWN	N/A	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN
Sales	66%	20%	07%	07%	+51	+34	+45	+46	+45	+26	+50	+44	+59
Production	66%	13%	03%	17%	+47	+31	+35	+31	+31	+17	+39	+35	+63
Employment	40%	50%	10%	00%	+28	+18	+30	+34	+27	+20	+14	+17	+30
Purchases	63%	27%	10%	00%	+23	+46	+48	+38	+35	+23	+39	+35	+53
Prices Paid (Major Purchases)	40%	60%	00%	00%	+25	+25	+27	+22	+42	+62	+55	+41	+40
Lead Times (from Sellers)	37%	60%	03%	00%	+20	+34	+31	+45	+38	+37	+34	+38	+37
Purchased Inventory	23%	43%	07%	23%	+05	+12	+17	+17	+11	+15	+00	+00	+16
Finished Goods Inventory	17%	47%	23%	13%	+03	-03	-10	00	+10	+06	+00	+03	-07

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

NAPM - Houston	02/05	03/05	04/05	05/05	06/05	07/05	08/05	9/05	10/05	11/05	12/05	01/06
Composite PMI	59.0	58.2	60.8	62.9	61.0	63.7	62.9	62.1	59.2	63.9	62.5	67.9

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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National Association of Purchasing Management – Houston
GOLF TOURNAMENT AND BBQ

CYPRESSWOOD GOLF CLUB
 21602 Cypresswood Drive, SPRING, TEXAS 77373 PHONE 281.821.6300

Thursday, May 18, 2006

FOUR – PERSON SCRAMBLE / SHOTGUN START / 9:00 A.M.

REGISTRATION AT 8:00 A.M. BBQ MEAL AT 2:00 P.M.

Player Registration Form

\$125 / Player - Includes green fee, shared cart, BBQ lunch

\$450 / Team - Includes 4 green fees, 2 carts, 4 lunches

\$25 / Person for BBQ Meal Only

Registration Deadline is May 1, 2006

PLAYER NAME:		PHONE:	
COMPANY:		FAX No.	
COMPLETE ADDRESS: (INCLUDE CITY, STATE, ZIP)			
EMAIL ADDRESS:			

PLAYER NAME:		PHONE:	
COMPANY:		FAX No.	
COMPLETE ADDRESS: (INCLUDE CITY, STATE, ZIP)			
EMAIL ADDRESS:			

PLAYER NAME:		PHONE:	
COMPANY:		FAX No.	
COMPLETE ADDRESS: (INCLUDE CITY, STATE, ZIP)			
EMAIL ADDRESS:			

PLAYER NAME:		PHONE:	
COMPANY:		FAX No.	
COMPLETE ADDRESS: (INCLUDE CITY, STATE, ZIP)			
EMAIL ADDRESS:			

Payment must accompany registration. Make checks payable to NAPM-HOUSTON, INC.

Mail checks to: NAPM- Houston
 P.O. Box 771203
 Houston, TX 77215-1203

Check No. _____ Amount: \$ _____

Credit Card Info: Amount \$ _____ Visa ____ MC ____ Amex ____ Exp.Date: _____

Card Number: _____

(Mail credit card info to above address or fax to 713.952.7194)

Any questions e-mail Valarie Cross vcross@eprod.com or call 713.803.2403

National Association of Purchasing Management – Houston

GOLF TOURNAMENT AND BBQ

CYPRESSWOOD GOLF CLUB, SPRING, TEXAS

Thursday, May 18, 2006

SPONSORSHIP REGISTRATION FORM

Company Name _____
Complete Address _____
Contact Person _____ E-mail _____
Phone Number _____ Fax Number _____

Please indicate which sponsorship you wish to support:

- GOLD CELEBRITY** - 8 playing spots, Includes lunch, Signage on 2 courses
\$2,000 Banner displayed at BBQ and recognition in program
Web Link from NAPM website
- BLUE CHAMPION** - 4 playing spots, Includes lunch, Signage on 2 courses
\$1,200 Banner displayed at BBQ and recognition in program
Web Link from NAPM website
- RED STAR** - 2 playing spots, Includes lunch,
\$500 Signage on 2 courses
- 2-HOLE SPONSOR** - Signage on 2 courses
\$250
- 1-HOLE SPONSOR** - Signage on 1 course
\$150

NAPM-Houston would appreciate any donation of suitable raffle items. We will be conducting raffle and your company name will be displayed as donor of item. See contact information below to coordinate deliver of your contribution.

Payment must accompany sponsorship form. Also, please include any entry forms that you may have on team members. Make checks payable to: **NAPM-Houston, Inc.**

Mail Checks to: NAPM-Houston
P.O. Box 771203
Houston, Tx. 77215-1203

Check No. _____ Amount: \$ _____

Credit Card Info: Amount: \$ _____ Visa _____ MC _____ Amex _____ Exp. Date: _____

Card Number: _____

(Mail credit card info to above address or fax to 713.952.7194)

For questions please email Valarie Cross vcross@eprod.com or call 713.803.2403

Minority and Women's Enterprises as Strategic Suppliers

(By Richard J. Hernandez, CPCM, E-MBE.Net)

Introduction: A strategic supplier provides a product or service that is essential to a company's core business. These specialized partnerships have prevailed as the business model of choice, spawned by the Japanese Auto Industry and replicated by American Manufacturers.

Supply Management Programs in every industry including the private sector and government, are working to reduce both the numbers and the levels of suppliers that they manage to increase productivity and reduce cost. One of the results of this transition is the creation of a cadre of strategic suppliers in each major commodity and service. Unfortunately, however, this practice has the effect of squeezing out many minority and women-owned businesses (MWBEs) as suppliers, due to the increased capacity and broad geographic requirements that are inherent in these strategic supplier relationships.

Purpose: This article shares the insights of a long-time supplier diversity consultant, Reginald Williams, CEO of Procurement Resources, Inc. (www.CorporateDiversity.biz). Williams is credited with coining the term "supplier diversity" and has been a consultant to more than half of the Fortune 100 for more than 30 years. He is arguably one of the most recognized names on the subject of supplier diversity.

In this article, he shares some of his observations on the recent transition to strategic supplier relationships. His perspectives provide valuable lessons for small, minority- and women-owned businesses as well as major corporations who support supplier diversity. According to Mr. William, here are four criteria that are used to determine if a company is, or can be a strategic supplier:

Strategic Supplier Criteria: The following are key criteria for a company to be considered a strategic supplier:

1. The supplier provides a product or service that is mission critical or essential to their client's core business. Example: a provider of hops and barley might be a strategic supplier to Anheuser Bush. Another example would be a Coca-Cola bottler.
2. The supplier is in a product or service that represents a growth industry. Example: wireless telephony or Internet security where there is significant potential to expand the market base.
3. Suppliers exist with the demonstrated technical expertise having the capability to be developed into strategic suppliers for a specific, unique requirement. Example: NASA Mars Rover solar battery system which was designed and manufactured by an MBE firm through the development of NASA technical support.
4. There must be genuine and demonstrable commitment to make the corporate investment necessary to ensure the success of this strategic relationship.

The deciding factor in engaging MWBEs in these strategic alliances with Corporate America will be the sincerity of corporate leadership to make it happen. Williams further states that being in the National Minority Supplier Development Council (NMSDC) "Corporate Plus" program does not necessarily mean an MBE is a strategic supplier; it does not meet these criteria. Williams notes that several MWBE firms

are doing well as strategic suppliers in three major industry groups: aerospace, automotive and consumer products. Examples are:

Aerospace

- Boeing, Lockheed Martin, and other major corporations enjoy a long track record of success working with minority and women-owned strategic business partners.
- The role of small and minority business became a critical element in NASA's 'Return to Space' program.

Automotive

There are a number of successful strategic partnerships with minority companies in this industry. They include such companies as:

- Johnson Controls
- Ford Motor Company
- DaimlerChrysler
- Lear Seating
- General Motors, and
- Toyota

Consumer Products

In addition, Williams points out that several consumer products companies such as The Coca-Cola Company, Pepsi Cola, and Proctor & Gable who have a least one MWBE strategic supplier partner among their supplier base which includes bottling companies and packaging suppliers.

The Business Model: While there is no set process for developing a strategic supplier partnership, it has never occurred where there is no significant gain in market share or expansion of the supply base. That means, supplier diversity is the "gravy and not the mashed potatoes", of this exercise. Moreover, there are no precedents for deciding who pays to develop an MWBE firm into a strategic supplier.

Summary: There are too few MWBE firms serving as strategic suppliers to major corporations to sustain supplier diversity at the point of product origin as well as the point of sale. William's conservative estimate is that the lack of these strategic supplier relationships has cost the minority business community an estimated \$100 billion in lost contract sales over the last 10 years. Not having strategic suppliers helps explain the fact that despite 30 year of supplier diversity minority businesses still receive less than 5 percent of total corporate purchasing dollars.

To be effective, supplier diversity programs have to include initiatives that extend beyond purchasing from minority and women companies. Rather, we must begin to focus on developing strategic long-term relationships that will sustain the partnership.

For Assistance: Procurement Resources, Inc. (PRI) of Atlanta, GA (678) 423-0447 (www.corporatediversity.biz). PRI provides services to corporate management within major corporations who want to expand their supplier diversity initiative through strategic partnerships. E-MBE.net (www.e-mbe.net) offers services directly to MWBEs who want to position themselves as strategic suppliers.



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

Address Service Requested

March 2006 Dinner Menu

Garden Green Salad
Texas BBQ Sliced Brisket & Chicken
Potato Salad
Corn on the Cob
West Texas Fruit Cobbler
Dinner Includes:
Dinner Rolls
Coffee, Tea, Water

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

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.