

Buy *Liner*



A monthly publication of the Institute of Supply Management - Nevada, Inc.

July 2009

Upcoming Events

July 2009

FREE

23 – ISM Webinar: Spend Visibility's Role – Providing Savings to Finance
1 p.m. EDT/10 a.m. PDT
1 ceu

FREE

29 – ISMNV Seminar "How Local Government Entities Can Use GSA Schedules" Las Vegas
3 ceu

August 2009

15 -- Board Retreat, Las Vegas

20 – Capitol Area Meeting

August/September 2009

8/31 -9/1 – ISM national Seminar, "Performance Based Statements of Work (SOWs): Maximize Supplier Performance"

Check out the details for all events at:

www.ismnv.com

www.ismnv.com

www.ismnv.com

President's Corner

PURCHASING DURING AN ECONOMIC DECLINE

According to a forecast issued by the Business Survey Committee of the Institute for Supply Management (ISM) presented by Norbert J. Ore, CPSM, C.P.M., chair of the ISM Manufacturing Business Survey Committee; and by Anthony S. Nieves, C.P.M., CFPM, chair of the ISM Non-Manufacturing Business Survey Committee, and senior vice president--supply management, Hilton Hotels Corporation, the economic decline will continue in the United States throughout the remainder of 2009. They stated expectations for the remainder of 2009 have weakened in both the manufacturing and non-manufacturing sectors in their spring 2009 Semiannual Economic Forecast.

By now, most industries have cut down on the things related to business expansion or that can just wait: New equipment, marketing, temporary labor and travel.

We cannot stop and just wait until the recession is over. We are expected to deliver more, and increase the organization's cost savings while our resources are scrutinized and possibly even reduced. With financial markets in a crisis and the slowdown in the economy, troubled times present opportunities to gain competitive advantage through purchasing. Greater involvement with cross-functional team areas of the organization; re-evaluating procurement and cost-saving strategies and developing contingency planning in conjunction with suppliers contributes to this competitive edge. The supply base has become unstable with suppliers going out of business or merging with another company. Increasing our focus on supplier collaboration and relationship management may place us in a stronger negotiating position with our suppliers.

Continued on page 2

Continued from page 1

Greater supplier relationships may also provide flexibility in reviewing existing contracts. Increasing focus on low-cost country sourcing is an opportunity to capture savings. This strategy is not without its risks; however. The currency exchange, cultural differences, language barriers and political climate could leave one exposed to other problems.

Every decade we experience a slump in global economies; there is a recovery, then a boom. Once purchasing has achieved excellence in protecting against the downside of the economy, a boost in purchasing horsepower and sourcing is vital to preparing for the upturn. Recessions are temporary.

Make a commitment to get involved with ISM-NV. There are many great educational and networking opportunities throughout the year.

June Weedon, C.P.M.
President ISM-NV



ISM - Nevada, Inc. – Capitol Area **(Reno, Sparks, Carson City & ETC.)**

Northern Nevada Meeting

John L. Balentine, C.P.M.; CPP

June's Meeting with Jim Keenan was quite informational. The Nevada Legislature did not do too much "damage" to the Public Purchasing Profession this session, but not for the lack of trying...The Legislature passed a bill granting a 5% "local preference", but the bill was vetoed by the Governor. When the Legislature attempted to override the veto, the override failed by one vote in the Senate. Thus professional purchasers in the Public Sector were spared much additional work, possible additional bid protests and increased costs to local governments and ultimately to the Nevada taxpayers.

The next regular

**ISM Nevada, Inc,
Capitol Area**

Thursday, August 20, 2009
at 7:00 a.m. (for breakfast)

Gold N' Silver Inn
790 W. Fourth Street
Reno, Nevada 89502.

See you there!

Mission

The Nevada Association of Purchasing and Supply Management will lead supply management professionals in Nevada and other states through professional credentials, education, leadership development and networking.

ISM MEMBERSHIP

June 1, 2009

37,303

**Articles for the August
newsletter
due July 27, 2009**

Carol Poindexter
cpoindexter@interact.ccsd.net

**C.P.M. Lifetime Certification****Tina Greener, C.P.M. - Newmont Mining****C.P.M.****Peter Halsey, C.P.M. - Newmont Mining****Scott Hillis, C.P.M. - Newmont Mining*************Are YOU "Too Big To Fail"?**

As a former Michigander and General Motors (GM) employee I have been particularly saddened by the demise of this company once considered "too big to fail".

Had GM, Chrysler, or any of those other companies "too big to fail" asked me why their market share has dropped so significantly in recent years I could have provided them the simple answer is: they positioned themselves to compete only in "today's" market while their successful competitors were forward looking and positioned themselves to succeed in both "today's" AND "tomorrow's" markets.

If these "too big to fail" companies failed anyway, by not positioning themselves to meet the challenges and opportunities of tomorrow, shouldn't we Purchasing professionals be learning from their mistakes and positioning ourselves for "tomorrow's" challenges and opportunities rather than concentrating solely on "today's" problems? Should we not be analyzing our positions and situations, regardless of our hierarchal place on the organization chart, and determining if we are "too big to fail" if our entity determines that it must trim its budget and staff? In such a situation, will you be considered "too big" and important to be put on the downsizing list?

Not sure? Consider this from a recent article in the Las Vegas Review Journal:

- 13.2 % of workers were unemployed in March 2009. That is about the same as the entire population of Illinois;
- There was a 633,000 net loss of jobs in March 2009. That is about the same as the entire population of Baltimore;
- 4.3 % - unemployment rate for college students;

- 9.0 % - unemployment rate for high school grads who didn't go to college;
- 13.3 % - unemployment rate for those with no high school diploma.

So, let me repeat the question: have you positioned yourself for the "**now**" or for the "**future**"? Are you "too big to fail"?

If I was your Manager and needed to downsize my staff in order to meet mandated budget cuts, I would evaluate my staff and base my decision on three main questions:

- Do you have a college education? In today's business environment we find ourselves dealing more and more with the college educated customers so should I not embrace staff who have embraced the concept of being as educated as those we serve? Taking classes and becoming more educated would show me that you are not stagnant in the learning process, that you recognize the need to continue growing your body of knowledge, and that you recognize that the more knowledge you bring to the table the more value you add to that table.
- Do you have a professional certification? Having one, whether it be a C.P.M., a CPCM, a CPSM, a CPPO, or some other would show me you have not quit learning your profession, that you recognize that "Purchasing" is evolving to now encompass management of the entire Supply Chain. It says that as a Supply Management professional you realize that we can't do our jobs in a vacuum but, rather, that we must know – and understand – the role of others in the supply chain so we can better assist in the integration of the entire process.
- Are you showing leadership talent and positioning yourself to assume more responsibility or are you just "doing your job"? We should all realize that to be considered for a higher position we must demonstrate that another has been mentored to take over our existing position. If no one has been mentored to be your replacement, then it will be difficult to move you to a higher position up the ladder. Never thought of that as mentoring? Well, it is one thing to be able to perform your job well but it is quite another to show an ability to develop a subordinate or peer to become a more valuable, more contributing member of your team. Are you a mentor?

Those scoring highest in response to these three questions would be my best candidates for being "too big to fail". Did I forget "experience", "years of service" and other considerations? No. While these are also important, they only show that you have the talent to get the job done today and that you have loyally supported our entity. But when downsizing becomes a reality (as it already has for many of us) management will not evaluate me on what I did in the past, but, rather they will evaluate me on what I can bring to the table in the future. And that being the case, it is my responsibility to first and foremost keep those who can best serve our entity "tomorrow". In this scenario, are you the one I should retain? Are you "too big to fail" or will you be on the outside looking in at those who positioned themselves for the challenges and opportunities of "tomorrow"?

Is it too late for you to start? No! For more information on how you can start NOW to best serve yourself and your school or entity by positioning yourself for "tomorrow" e-mail me at ashbybob@embarqmail.com



U.S. General Services Administration

"How Local Government Entities Can Use GSA Schedules"

Come learn how your agency can take advantage of GSA Schedules and learn how to use the GSA online system.

Speaker: Maria Rodriguez, GSA in Las Vegas

Date: July 29, 2009 **Time:** 8:30 am - 12:00 pm

Location: Clark County Government Center, 500 S. Grand Central Pkwy, Las Vegas, NV (Alta and Grand Central Pkwy, across from Premium Outlet Mall)

*3 Continuing Education Hours (CEH) will be given to attendees

Cost: FREE

Register on line: www.ismnmv.org

July 23 Webinar: Spend Visibility's Role — Proving Savings to Finance

Date: Thursday, July 23, 2009

Time: 1 p.m. EDT / 10 a.m. PDT

Please Note: This no-cost, *streaming-only* Web seminar is 60 minutes long.

Since the onset of the current economic crisis, your business, like many others, has likely engaged in strategies to cut costs and increase productivity. As the center of any cost cutting initiative, procurement continues to play a significant role in driving these initiatives. An opportunity exists for procurement to demonstrate its results to finance and the executive office, continuing to validate its strategic value to the business during both down times and prosperity.

Leading procurement organizations have learned to effectively work with the finance department to drive approaches that impact the bottom line. During this Web seminar, attendees will learn practical strategies for:

- Using spend visibility to prove the savings numbers results of procurement initiatives
- Using spend analysis to monitor payment terms and optimize days payable outstanding
- Speak the language of finance versus the language of procurement
- Heighten the company's view of procurement as a strategic asset

Register online, www.ism.ws