# May NAPM Meeting

## Welcome GBA Recipients

**Thursday, May 14, 2009**

**Salt Lake City Pro-D & Dinner**

*Location: Radisson Hotel, Downtown 215 W. South Temple, Salt Lake City, Utah*

- **4:30 p.m.**—Pro D Workshop
- **Speaker:** Eric B. Tibby  
  ClearEdge Partners, Inc.
- **Topic:** *Counter Tactics Workshop - How to Outmaneuver the Selling Machines -*  
  This is an introduction to how many suppliers have organized their business around capturing maximum revenue and profit from their existing customer base and products.

- **5:30 p.m.**—Dinner Meeting  
  Gordon Burt Affleck Award & Volunteer Appreciation Night

**RSVP due by Monday, May 11, 2009 at noon**

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**Wednesday, May 20, 2009**

**Central Utah Branch Luncheon**

*Location: La Quinta Inn  
1460 S University Avenue (exit 263)  
Provo, Utah*

- **11:45 A.M.** – **12:45 P.M.**

- **Speaker:** Rick Ingraham  
  Director, Quality Assurance & Distribution Wencor / Kitco Defense /  
  Dixie Aerospace / DigEcor

- **Topic:** Lean
President’s Message

May 2009 will end my term as President of NAPM-UTAH and I want to sincerely thank all of our members, volunteers and your employers who support our organization through your membership. As I’ve said time and again …..but it’s worth repeating, NAPM-UTAH is only as good as our volunteers, which means, we’re top-notch!

Over the course of the past year we’ve been able to accomplish several goals I had in mind when I accepted this position. We’ve utilized technology to our advantage and are now using CVENT to notify our members of meetings, accept RSVP’s and track attendance. For that, I give Special thanks to Tiffany Sorensen and Jerilyn Midthun from Salt Lake City Corporation for their hard work.

We’ve made steps to improve our fiscal responsibilities to the NAPM Board by providing monthly reports and ensuring records are up to date. For that, I give Special Thanks to Blaine Moon, our Treasurer from SOS Staffing. We’ve also made great strides in evaluating the potential name change from NAPM to ISM and for that I give Special Thanks to Michael Bernard from Kern River Gas Transmission Company and his committee.

In the area of communication, our monthly Newsletter has never looked better! Debbie Smith from Granite School District makes it look SO professional and we’re proud to share it with the world with the assistant of Steve Cherecwich, our Web Master. Also, Special Thanks to Aaron Cameron from Granite School District for keeping us on track with deadlines.

At the Central Utah Branch, Santos Ontiveros from Kitco Defense will be ending his two-year term and he has been a man of all trades. From setting up the lunch meetings, to finding speakers and packing the audio equipment, he’s done it all and we’re all indebted to him, especially you CUB members in Provo! Many thanks to you Santos and also to Julia Tumanuvao from The Wencor Group for her assistance at those meetings.

Every single one of our officers, board members and volunteers make our organization a great place to learn, network and grow. Please express your appreciation when you see them at the May meetings!

As I close, I offer a Standing Ovation to Jerilyn Midthun, Lori Peterson, Blaine Moon, Santos Ontiveros, Julia Tumanuvao, Dan Darrington, Dave Schofield, Gerald Tramposh, Mike Bernard, Cody Branz, Tiffany Sorensen, John Carpenter, Doug Simons, Aaron Cameron, Steve Cherecwich, Debbie Smith, Dave Stokes, Claudine Peterson, Susan Fowler, Bob Mooney, Julie Anderson, Karl Harvard, Kathy Ingleby, Kris Baird, Grant Dalton and to all of you that have assisted us throughout the year. I think I’ll even pat myself on the back before I go! Thanks for the memories and the wonderful opportunity to serve as your President, it’s been my pleasure!

Here’s to a Fabulous Year!
Tracey K. Stevens, C.P.M., CPPB
NAPM-UTAH President
Pro D Workshop Speaker— Eric Tibby

Eric Tibby is a Managing Director at ClearEdge Partners (CEP) responsible for leading CEP’s private client network in the Rocky Mountain and Southwest Regions in providing CIO’s, CFO’s and their negotiating teams with powerful, timely intelligence and proven best practices that deliver measurable impact on deals and support long-term IT cost control strategies. Tibby has more than 20 years executive experience leading and managing international Sales and Professional Services organizations.

Tibby’s experience includes positions at large and start up Hardware and Software technology companies where he was responsible for sales and executive leadership developing, leading and driving sales organizations. Before joining ClearEdge, Tibby was a Director of Sales with Pegasystems Inc the leader in Business Process Management Software where he led the company’s sales efforts in financial services markets throughout North America. Prior to Pegasystems, Eric held rolls as the Vice President of Sales at the software startups: iWitness (acquired by Zantaz/Autonomy) an E-Mail Electronic Records Management (ERM Product) and Prime Response (acquired by Chordiant Software) the leading multi-channel marketing automation solution. Additionally Tibby has held positions as a Regional Vice President of Sales at both Computer Associates and Platinum Technology (which was acquired by Computer Associates). Eric started his career for IBM and selling for NCR and Digital Equipment.

Central Utah Branch News

I would like to congratulate and welcome all the new candidates who won the April 2009 election. I especially want to wish Steve Mastin success as the new Central Utah Branch Director. I know that all the newly elected candidates will be rewarded with a great challenge, and also a great sense of purpose and accomplishment.

We have a great group of members who will be willing to assist if we just ask. It has been a great learning experience for me, and I know that I gained a great deal of knowledge, and I gained many new friendships.

I would like to thank Susan Maass, Julia Tumanuva, Jenny Shelton, Toni Johnson, and all the other wonderful members who helped make the Central Utah Branch a great success. In addition I would like to thank the President, Board Members, and all the committee members for doing such a great job, and offering their time and talents to our organization.

I bid you farewell as the Central Utah Branch Director, and I'll see you at the next meeting.

Best Regards,

Santos Ontiveros, C.P.M, A.P.P.
Central Utah Branch Director
VP Corner

The Art of Communication

How well we communicate in the workplace and our lives in general has a pretty big impact on our effectiveness in what we have chosen to do. After I’m gone, I don’t think anyone will remember me and say, “She was a great communicator”. I’m always in need of improvement in this area. I might do well for a while and then, one day, totally mess up. It’s usually when I’m in a hurry or when I start to feel too emotionally engaged in a topic that I don’t communicate at my best. Learning to stop and think before you communicate can help you choose the proper words and form for what you need to say, or sometimes not to say. The way you communicate whether it’s by e-mail, letter, phone call, or face-to-face shows people who you are, what you know, and how you feel. Here are a few tips from personal experience:

1. Choose the proper form for the needed exchange of information. For example, don’t just e-mail because it is an easy response to an email received. Sometimes the best response to an e-mail might be to make a personal call to the person that sent it, to check your understanding.

2. Communicate with diplomacy and tact. E-mail is a quick and easy way to communicate, but avoid the temptation to dash off a first draft and send it as is. If it is more than just an informal note, spend time reviewing your message before sending it.

3. Look people in the eye when you engage in conversation but don’t stare them down. Let them know that your full attention is on them.

4. Speak from your heart, speak confidently, but be prepared not to take opposition personally. People may reject a concept or idea you are conveying but they aren’t rejecting you personally.

5. Sometimes you have to agree to disagree, and sometimes when you are wrong, it’s best to humbly admit it. Hopefully, I’ve mastered that one.

In closing here are some quotes to ponder on;

Ann Landers
The trouble with talking too fast is you may say something you haven’t thought of yet.

Blaise Pascal
Kind words do not cost much. Yet they accomplish much.

Dale Carnegie
There are always three speeches, for every one you actually gave. The one you practiced, the one you gave, and the one you wish you gave.

Hermann Hesse
Everything becomes a little different as soon as it is spoken out loud.

Marcel Marceau
It’s good to shut up sometimes.

Rudyard Kipling
Words are, of course, the most powerful drug used by mankind.

Jerilyn Midthun, C.P.M., A.P.P.
NAPM-UTAH Vice President
jerilyn.midthun@slcgov.com
News from the Board

Humor, It's A Serious Matter

Are you fun to be around? Do you bring excitement to your department? Do people enjoy being around you? These are some questions you should ask yourself. If you answered no to all of the above questions, then maybe you need to go see a comedy show or on second thought, just let your hair down a bit. Laughing once a day can create an environment of ease within your work group and among vendors. I am sure everyone has been in a situation where you are in a meeting where you don’t really know anyone too well or no one is really comfortable with each other and then suddenly someone makes a joke or a funny comment, and you can see everyone relax and become more comfortable. In this situation and other situations in your life, personal and professional, humor can become an asset. You ask how? Well, humor can help you communicate better, helps you build relationships, reduces stress, and gives you more energy. When we laugh we physically feel better and after laughter we feel lighter and more relaxed. A few moments of humor at work can lead to increased productivity as you return back to your tasks. When humor is introduced into a conversation, it lightens the mood. Humor, as long as it is not offensive, can boost morale in your department. The use of humor, and the ability to produce and make humor, is associated with intelligence and creativity, two things highly valued in workplaces. If you work in an environment where you can be yourself and be funny, then you won’t ever want to leave. So be serious about humor and use humor to lighten your serious side in the workplace. Get out of your cubicle and get out of your comfort zone and try a little humor in your life. You will feel better that you did.

If at first you don't succeed, redefine success.

If a thing is worth doing, it would have been done already.

Hard work never killed anyone, but why chance it?

A Committee is a group of people who individually can do nothing, but as a group decides that nothing can be done.

MEETINGS, A practical alternative to work.

Please, keep talking. I always yawn when I am interested.

An eagle was sitting on a tree resting, doing nothing. A small rabbit saw the eagle and asked him,

"Can I also sit like you and do nothing?"

The eagle answered, "Sure, why not."

So the rabbit sat on the ground below the eagle and rested.

All of a sudden, a fox appeared, jumped on the rabbit and ate it.

Moral of the story: To be sitting and doing nothing, you must be sitting very, very high up.

Source http://www.tensionnot.com/jokes/office_jokes

Tiffany Sorensen, CPP
NAPM-Utah
Board of Directors
Adding Value to Your Organization

We have all heard the adage, “Price is what you pay, and value is what you get.” With the current economic environment, now is an excellent time to prove the value supply chain individuals provide. While my ideas might not be new or original, it is always good to perform a self-assessment of our job duties and performance to ensure we are adding value to the organizations in which we work for. While it is difficult to brag about your accomplishments, remember, if you don’t, nobody else will. However, actions usually speak for themselves and when documented, can be an extremely valuable ally.

One value a purchasing department can add is to invite your sales force into business reviews or presentations from your vendors. In times where companies are slashing budgets, sales training often gets reduced or cut first. By allowing your sales force or individuals who make outside presentations to participate, they can evaluate techniques other companies use and determine their effectiveness. Allow the invited attendees to ask questions or assist in the evaluation of the presentations to help them assess what they can do in their presentations to become more effective.

Get close to your vendors and partners. Your partners are possibly feeling a pinch in business. Utilize your partners and vendors to have them provide reports or documentation on how they have added value to you. Document the benefits and wins they have provided. Ask for additional concessions in pricing or value that you were not able to get previously.

Review all contracts and determine if the deflation that has occurred justifies a pricing decrease. Commodities have decreased from their absolute highs experienced late last year. Gas and trip charges should be eliminated. Ask your accounting department to provide you copies of invoices that cross their desk with certain fees you feel should be removed. That will provide you a target list of vendors who are still taking advantage of the commodity prices of past.

Examine your benchmarks for success and document both the wins and losses. We have a purchasing assistant who reviews all orders placed from our largest supplier before the order is finalized. Our field offices, while incented on their performance, will not always take the time to find the best priced or value item. Our purchasing assistant knows the items in depth and can substitute ordered items for those less expensive. Most of the time, the field office doesn’t even know the difference. When the item is considered a luxury, the item is removed completely with instructions on how they can purchase the item if they believe it is a necessity. The reviews are documented and save the company enough each day to pay the salary for the individual doing the review.

Work with other departments that are stakeholders in the things you touch within your company. Ask those departments what you can do in the vendor selection process that would streamline their piece of the puzzle. The accounting department might ask to receive electronic invoices that can be loaded through EDI, reducing time and effort in the coding of invoices. Take their feedback and incorporate it into your future RFP’s as a desired requirement. Go to your partners and vendors and give them the challenge to meet the request your internal department asked for. Get the easy and
big wins first and then work from there. Adding value internally will garner an ally and partner within your organization. They will then be more willing to rely on your expertise in their next go around.

Find out how decisions are made within your company, what information is used, and from where it is sourced. You may already have data from feedback on how the information you have supplied has helped such processes (if not, you should get it!). Has your organization recently had successes or failures that could be directly attributed to good or bad information? From these investigations you can determine areas of high information leverage where you could play a role. Identify the linkages between information and results. This should then be a cornerstone of your strategy. Use every opportunity to let people, especially senior managers, know about it. Use the relationships between the information and results determine if the information requested in RFP’s is relevant or busy work for your suppliers.

Although you may have trained as a supply chain professional, to bring improved benefits to the business you will need to broaden your skills i.e. become something of a 'hybrid'. A hybrid manager has a mixture of business knowledge and general management skills as well as that of their specialty. Some of the key skills they possess are:

- knowledge of the industry in which the organization operates
- awareness of business issues and pressures
- organization 'know-how' and 'know-who'
- communication skills
- inter-personal skills

Therefore, unless you want to remain a specialist, you should take time out to develop some, if not all, of these skills. This can be achieved by management training, going to industry events and courses, subscribing to industry journals and research, and being assigned as an backup to other departments or business units within your company.

One expert (Olga T. Cordeiro MBA, CMA) identified 10 additional ways that you can add value to your organization. The recommendations are more generic than focused on the purchasing community, but nonetheless are relevant:

1. Match your boss's priorities to yours, so that you are in alignment with your company's goals and vision.
2. Focus on the skills, projects, and assignments which will be used in your performance evaluation.
3. Exude trustworthiness. Under-promise and over-deliver on your assignments. Delivering on time (or even early) shows that you are organized and dependable.
4. Keep knowledgeable about your industry. Attend company-sponsored training, professional association events, and read trade journals.
5. Show flexibility and team player spirit. Offer to help out colleagues when it appears that they need it. Never state, “that's not in my job description”.
6. Take responsibility. Own up to your mistakes and focus on what you’ve learned rather than on what went wrong.
7. Make your boss look impressive. Produce superlative work and suggest ideas that will help your boss out. Volunteer to implement these ideas.
8. Keep positive. Motivate your co-workers in their jobs instead of whining, criticizing, or complaining. Be courteous to everyone.
9. Live a balanced life. Take breaks as needed to gain energy and perspective. Leave your personal life at home; do not bring it to the office.
10. Take care of yourself. Productivity and ambition take a nosedive when you’re run down. Attend a coaching session to lift your spirits and bring you back up to speed.

Blaine S. Moon
NAPM Utah Treasurer
Mountain States Economy

Mountain States Leading Economic Indicator Retreats Again: But Supply Managers See Better Times Ahead

March survey results at a glance:
- Business conditions index dips to level pointing to continuing economic struggles.
- Inflation gauge rises to growth neutral.
- Export orders remain very weak.
- Business confidence index rises to highest level in more than one year.

Supply managers, on average, expect a 1.7 percent pay hike this year.

For Immediate Release: April 1, 2009
Denver, CO — The overall index for the Mountain States region, a leading economic indicator for the three-state area, plunged from February’s weak index. The index, based on a survey of supply managers in Colorado, Utah and Wyoming, points to continuing economic struggles along with job losses for the region.

The overall index, or Business Conditions Index, slumped to 39.2 from February's 44.6 but was up from January's record low 31.6. An index of 50.0 is considered growth neutral with recent readings, including that for March, pointing to recessionary economic conditions for the region at least through the third quarter of 2009.

“While the region has clearly dipped into a recession, the overall economic downturn is going to be more shallow for the region than for the nation,” Goss Institute for Economic Research Director Dr. Ernie Goss said today. Goss also directs Creighton University’s Economic Forecasting Group and is the Jack A. MacAllister Chair in Regional Economics.

The March employment index declined again to 36.4 from February’s 40.7 in February and 44.5 in January. “The recession came to most of the Mountain States region late. Between the beginning of the national recession in December 2007 and September 2008, the region gained more than 2,000. However, between September 2008 and February of 2009, the region lost more than 82,000 jobs. Our job indices are consistent with an additional 70,000 jobs lost by the end the third quarter of this year,” said Goss.

For the first time since the recession began, we recorded a significant upturn in the regional prices-paid index.

“While the region has clearly dipped into a recession, the overall economic downturn has produced a substantial slide in wholesale prices. Despite the Federal Reserve’s record increase in the nation’s money supply, and deficit spending by the federal government, the global economic recession continues to keep business-pricing power in check. Likewise, a stronger dollar has contributed to the deflationary trend over the past several
At the March meeting of the Federal Reserve, the rate-setting committee (FOMC) indicated that they expected inflation to remain well contained and there was little likelihood of excessive inflation even though they have set the current funds rate at 0% - 0.25%, its lowest level since 1913 when the Federal Reserve was created. Also at the March meeting, the Federal Reserve decided to purchase up to $300 billion of longer-term Treasury securities over the next six months. “I am very concerned that this excessive monetary stimulus will result in a sharp upturn in inflation after the economy has exited the recession. I expect the recession to end in the final quarter of 2009,” said Goss.

Looking ahead six months, economic optimism, captured by the confidence index, soared to its highest level since January of 2007. The regional business confidence index expanded to 58.5 from 31.5 in February and January’s 23.6. “Our survey was conducted after Treasury Secretary Geithner announced the latest U.S. Treasury bank plan but before the mounting problems of GM and Chrysler surfaced. I think economic expectations, as expressed by supply managers, got ahead of the economic fundamentals,” said Goss.

This month, the Goss Institute asked supply managers their expected pay increase for 2009. Validating the weak job market, over 44 percent anticipated no salary increase, or a pay cut this year. The remaining purchasers expect an increase ranging from one percent to five percent. Almost none anticipate an increase greater than five percent. The average pay raise expected for 2009 is 1.7 percent, or less than half of the long-term trend.

After improvement in February, trade numbers once again retreated. Economic weakness among trading partners and a strong dollar continue to restrain exports. New export orders plummeted to 31.3 from February’s 43.8 but up from January’s record low16.7. The March import index slipped to 42.1 from 47.0 in February and 40.0 in January. “The global economic slowdown is putting significant downward pressure on exports, while the U.S. economic recession pushes imports lower,” said Goss.

Other components of the March Business Conditions Index were new orders at 37.5, down from 48.0 in February; production at 37.1, down from 39.7; inventories at 39.7, down from 41.4; and delivery lead time at 45.3, down from 53.3.

The Institute for Supply Management, formerly the Purchasing Management Association, has been formally surveying its membership since 1931 to gauge business conditions (www.ism.ws). The Goss Institute uses the same methodology as the national survey.

The overall index, referred to as the Business Conditions Index, ranges between 0 and 100. An index greater than 50 indicates an expansionary economy over the course of the next three to six months.

The Creighton Economic Forecasting Group has conducted the monthly survey of supply managers in Colorado, Utah, and Wyoming since 1994 to produce leading economic indicators of the Mountain States region. The Goss Institute assumed operation of the survey in August of this year working with NAPM-Utah (www.napmutah.org) and NAPM-Western Wyoming (http://www.ism.ws/sites/westwyoming/index.htm).

Colorado: The state’s leading economic indicator for March, based upon a survey of supply managers in the state, declined to a level pointing to a continuing economic downturn in the months ahead. The March Business Index dipped to 41.3 from 43.5 in February and 30.5 in January. Components of the overall index for March were new orders at 37.8, production at 38.2, delivery lead time at 41.4, inventories at 49.4, and employment at 39.6. “The national recession did not strike Colorado until August 2008. Between the beginning of the national recession in December 2007 and August 2008, Colorado added 9,500 jobs. Between August 2008 and February 2009, the state lost more than 61,000 jobs. Our job indices over the past several months are consistent with an additional 30,000 jobs lost by the end the third quarter of this year,” reported Goss.

Utah: The state’s Business Conditions Index, as in prior months,
Mountain States Economy  (continued)

points to a continuation of the economic recession. Based on the March survey of the membership of NAPM-Utah (www.napmutah.org), the leading economic indicator for the state slumped to 41.9 from February’s 45.5 and January’s record low 36.5. Components of the overall index for March were new orders at 50.4, production at 41.6, delivery lead time at 42.3, inventories at 40.4 and employment at 35.0. “The recession came to Utah about the same time that it hit the U.S. Between the beginning of the national recession in December 2007 and February 2008, Utah lost more than 32,000 jobs for a 2.5 percent reduction. This rate of job loss is roughly two-thirds that of the nation. Our job indices over the past several months are consistent with an additional 35,000 jobs lost by the end of the third quarter of this year,” said Goss.

Wyoming: For the first time since launching the survey of supply managers in Wyoming in 1994, the state’s leading economic indicator dropped below growth neutral for four consecutive months. Supported by NAPM-Western Wyoming (http://www.ism.ws/sites/westwyoming/index.htm), the March survey of supply managers in the state points to weaker economic conditions in the months ahead. The state’s Business Conditions Index, a leading economic indicator, dipped to 40.8 from 44.8 in February and 35.3 in January. Components of the overall index for March were new orders at 27.5, production at 30.2, delivery lead time at 64.4, inventories at 38.8, and employment at 42.7. “The Wyoming economy did not enter the recession until 2009. Between the beginning of the national recession in December 2007 and February 2008, Wyoming gained more than 6,000 jobs. However, the state has begun shedding jobs in 2009. Our job indices over the past several months are consistent with an additional 8,000 jobs lost by the end of the second quarter of this year,” said Goss.

For historical data and forecasts, visit our website at: www.ernestgoss.com or www.outlook-economic.com

ISM Seminar Cancelled

PLEASE NOTE:

The Satellite Seminar that was originally scheduled by ISM for June 4th has been canceled by ISM. Therefore, NAPM-UTAH will not hold a June meeting. We look forward to seeing you again in September after the May meeting.

If you are interested in volunteering for NAPM Committees, please contact Jerilyn Midthun at jerilyn.midthun@slcgov.com to be included in the summer planning activities and meetings.
**New Board of Directors**

The new Board of Directors are:
- Mary Louise Hughes
- Robert Stipanovich
- Donna Beaupre

The new Secretary is:
- Toni Johnson

The new Central Utah Branch Director is:
- Steve Mastin

The new Vice President is:
- Dave Stokes

The new President is:
- Jerilyn Midthun

Jerilyn will have many opportunities for us to volunteer throughout the next year, please keep this excitement to help.

THANK YOU AGAIN FOR YOUR EFFORTS!!

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**Term of the Month**

**GDP DEFLATOR**

A correction factor that removes the effect of inflation from gross domestic production (GDP) numbers. It allows analysis of real changes to total production of goods and services without the effect of inflation.

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NAPM-UTAH Board
- Tracey Stevens, President
- Jerilyn Midthun, Vice President
- Lori Peterson, Secretary
- Blaine Moon, Treasurer
- Santos Ontiveros, Coordinator
- Julia Tumanuvao, Past President

- Mike Bernard
- Cody Branz
- Dan Darrington
- Dave Schofield
- Tiffany Sorensen
- Gerald Tramposh
- Aaron Cameron, Communication
- John Carpenter, Certification
- Steven Cherecwich, Web Master
- Claudine Peterson, MemberRoster
- Douglas Simons, Education
- Debbie Smith, Newsletter
- David Stokes, Membership

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We are on the Web!
www.napmutah.org

If you wish to contribute an article, or items of interest, please submit material to Debbie Smith at dismith@graniteschools.org
May 14-15, 2009 - Ogden, Utah

Don't Forget:
Groups of 5 or more get a discount of 10%
Bring a group - learn how to turn theory into practice
So you can Thrive in Tough Times Register today!

REGISTER TODAY!

People are the most important asset of any organization. Trained and knowledgeable staff can be the difference between the success or failure of any endeavor.

This is the only nationwide educational and networking event available to practitioners and academics that specifically covers solutions from three major improvement methodologies: Theory of Constraints, Lean, and Six Sigma. Studies have shown improvement projects to be 20 TIMES more effective when used together.

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Distinguished Guests:

**Dr. Steven R. Covey**
FOX Awards-Lifetime Achievement Honoree
Author: "Seven Habits of Highly Effective People"
One of Time magazine's 25 most influential Americans

**Robert E. Fox**
FOX Awards Namesake
Co-Author: "The Race, The Theory of Constraints journals"
Renowned Management Guru

**Lisa Scheinkopf**
Author: "Thinking for a Change"
Business Improvement Guru