



**Institute for
supply management**

ISM Services Group



December 2011

visit us at www.ismservicesgroup.org

ISM Groups & Forums of the
Year Award—2004 & 2010

Chairperson

Fred Ledbetter, C.P.M.
Fred_Ledbetter@lifenethealth.org

Vice Chairperson

Ellen Berry, CPSM, C.P.M.
Ellen.berry@kcpl.com

Finance

Paul Howard, C.P.M
pshoward@terracon.com

Marketing

Jim Haining, CPSM, CPSD,
C.P.M., A.P.P.
jhaining@gmail.com

Marketing

Cynthia A. Alexander, C.P.M.
cyaalexander@ontrac.com

Education

Vik Goel
goel@frib.msu.edu

Education

Jewel Eldridge
Jeldridge2@cox.net

Technology

Andrea Grable, C.P.M.
agrable@optonline.net

University Relations

Chris Flum, C.P.M.
christopher.flum@harman.com

University Relations

Marty Bell, C.P.M., A.P.P.
mbell@amfam.com

Membership

Tom Ribardo, C.P.M.
tomribardo@aol.com

Communications

Kelly Longgrear, C.P.M.
Kelly.Longgrear@kcpl.com

Message from Fred Ledbetter, C.P.M., Chairperson, ISM Services Group

Dear Fellow Supply Chain Professional:

Even as the global economy continues to improve, the pressure remains on us to execute those transactions that will best benefit our companies. Many of us are working longer hours and at a faster pace than at any time in our careers. And, this effort has been maintained over extended periods of time, without the promise of increased staffing or a decrease in workload. Even so, I don't want to seem all "gloom and doom" as I actually believe that this changing economy has made us stronger. It has made us focus our skills and it has brought attention to controlling expenses and highlighted the wonderful things each of you do on a daily basis...and it has done this more than in any other time for many years. Thankfully, we continue to have our successes and that provides us the drive necessary to continue.



This added work pressure makes time spent out of the office even more valuable. With that in mind, I would like to thank those of you that are able to join me at the **12th Annual ISM Services Conference**. Even though the value of this conference is high, it may be a "hard sell" to move you away from the office. Experience tells us that we need outside stimulus to continually improve and we also need the interaction with others that speak the language of Services...and that is amply provided at our conference. Everyone's expectation is to receive high value for the time invested in any event or activity...and I don't think anyone will be disappointed by this year's conference. Not only does it provide topics presented by many of the leaders in our field, but it also serves as an excellent networking environment that will reward attendees with an immediate return on their time.

For those of you not attending, the ISM Services Group promises to continue offering a number of webinars ("Chat Sessions") throughout the year that cover a variety of topics. We also have many of the previous conference presentations available on our website...www.ismservicesgroup.com. In addition to these activities, the ISM Services Group will also be active at the 2012 ISM International Supply Management Conference in Baltimore. We hope to see you there!

At this time, I would like to pause a little and thank the ISM Services Group leadership team and volunteers for their exceptional efforts. It was through their hard work and dedication that the ISM Services Group was awarded the 2010 ISM Groups and Forums of the Year award. Great Job!

Thank you for reading this newsletter and I trust that you will find something of interest that will help you improve your career. Please feel free to contact myself or any of the other members of the ISM Services Group's leadership team, or you can also contact our Volunteer Committee at getinvolved@ismservicesgroup.com. Remember... your comments and suggestions are important for guiding future improvements.

You can find more information about the ISM Services Group, including how to become a member, by visiting our website at www.ismservicesgroup.com

Thank you for being a part of the ISM Services Group!

12th Annual ISM Services Conference

Dec 1 - Dec 2, 2011

Pointe Hilton Tapatio Cliffs Resort - Phoenix, Arizona

Innovative Supply Relationships: Creating Value for Services Procurement

2004 - 2010 Groups & Forums
CERTIFICATE
OF EXCELLENCE

The ISM Services Group is dedicated to procurement professionals who work for service-based organizations or that are responsible for sourcing and contracting for services within their organization.

Featured Article: "The Sourcing Journey"

By Kelly S. Longgrear, C.P.M.



To ensure the best outcome, treat each supply chain sourcing event like a journey, not just a destination.

In life (and in business), getting from point A to point B is a journey. Aspects to consider before embarking on any journey include:

- ◆ Choosing the correct route
- ◆ Adjusting your path, as needed
- ◆ Identifying and overcoming obstacles
- ◆ Pushing forward to reach the destination.

Each supply chain sourcing event — whether it's an RFX or a sole-source negotiation — has a desired destination. Applying the “journey” concept to your sourcing events can help you avoid wandering in a desert of wayward projects.

Where Are You Going?

Begin each sourcing journey with the end in mind. After all, the whole point is to get where you're going. In the end, nothing else matters within the context of the journey. Because sourcing events tend to be step-by-step processes, it's easy to lose sight of the end game. While the details are important, don't allow them to derail you. Set your sights on the destination, and don't let your focus waver. Two fundamental pieces of advice are: 1) don't take your eye off the target, and 2) picture a successful outcome. To put it in context, if you gaze a certain direction while driving down the highway, you'll tend to steer in that direction. It's the same with sourcing events: Keep your focus on your target, and you'll reach your destination more quickly and effectively.

Why Are You Going?

The purpose of the sourcing event can be as important as the event itself. Understanding the overall business objective helps you determine the correct strategy with which to approach the journey. Then, as obstacles inevitably arise during the sourcing event, revisiting the “why” will help you appropriately adjust your strategy.

Who Will Be Joining You?

Assembling a robust sourcing team is a critical step for building a successful outcome. Without the right people in the right places, the journey could become difficult and, ultimately, fail. Successful sourcing events require a strong, capable team. Identifying the required skill sets at the beginning of the project will help avoid project delays later. I recently participated in a project that had gone on for several months when it became obvious that an accounting resource was needed. The team lost a great deal of time trying to perform an internal cost analysis that only a qualified accountant could fully address.

Who'll Map the Course? Are Alternate Routes Available?

We all want to know who's driving and who's riding shotgun. Sometimes, you'll be the pilot. Sometimes, you'll be the navigator. Other times, you'll play a much smaller role than either of these. Regardless, you can still be a compass for the team and for the journey. Your global view as a supply chain representative brings significant value to the team during the sourcing event. A key differentiator for an astute supply chain professional is that we are, by nature, “disinterested third parties”. Not to say we don't care — this is just another way of saying that we are to be objective in our analysis and support of a project. It is that objectivity that makes you a valuable participant in a project. We should not have hidden agendas or predetermined outcomes — we are to be fair and impartial. All of our efforts should be made with the best interests of our company in mind. You'll likely play a significant role in planning and executing the negotiation strategy. Even so, it's important not to fly solo when preparing for this phase of the journey. In prepping for the negotiations, fully involve the team members. Their knowledge and experience will improve the outcome.

Are You Prepared for Problems?

It's helpful to understand the best- and worst-case scenarios for the sourcing event. As a supply chain representative, you can help the team fully understand and prepare for either outcome. Preparation breeds performance; provide the team with alternative solutions if the chosen sourcing path doesn't work out. And, be ready to adjust your course on the fly to keep the project moving forward.

Spotting Potential Roadblocks

No matter how much you prepare, it's almost impossible to plan for all the potential scenarios that can arise during a sourcing journey. Some challenges you might encounter include:

- ◆ Competing projects that divert the team's attention or deplete its resources
- ◆ Market-based issues, such as supply base erosion
- ◆ A change in executive-level priorities that causes the team to refocus
- ◆ Poor performance of team members, or personality conflicts within the group
- ◆ Inadequate response from bidders
- ◆ Proposals that are outside the anticipated budget or that don't meet technical requirements.

These types of challenges will test the mettle of any project team. Again, when facing such issues, it's very important to not lose focus on the desired outcome. Nothing significant is accomplished without some pain. By working through these issues as a team — and gaining management support when needed to keep the project rolling — you'll reach the destination with a sense of accomplishment.

(First published by the Institute for Supply Management, Tempe, AZ. Reprinted with permission. All rights reserved.)

ISM Services Group University Relations

ISM Services Group Names 2011 Scholarship Winners

Sixteen supply management students honored at 12th Annual Services Conference.

Tempe, Ariz.) December 1, 2011 — Sixteen students representing top supply management programs at five universities were honored today at the 12th Annual ISM Services Conference at The Pointe Hilton Tapatio Cliffs Resort, Phoenix. The conference was hosted by the Institute for Supply Management™ (ISM) Services Group. Scholarship recipients exemplify the very best in educational achievement and future of the supply management profession. Each scholar received \$1,000 plus sponsored registration and travel allowance to attend the ISM Services Conference taking place December 1-2, 2011 in Phoenix.

The following students were named 2011 Scholarship winners:

Michigan State University — The Eli Broad College of Business

Monica Nawrocki

Janice Ebert

Blake Jendrusch

Arizona State University — W. P. Carey School of Business

Kaitlin Clark

Phillip Howard

Christopher Bellesia

Dakshitha Narawatne

Rutgers Business School — Center for Supply Chain Management

Valerie Koppell

Shin Lee

Jonathan Frances

University of San Diego School of Business Administration — Supply Chain Management Institute

Brittany Leeder

Kelly Shambaugh

Katie Stoner

Western Michigan University — Haworth College of Business

Christopher Mulcahy

Logan Ludiciani

Matthew Smoker

The ISM Services Group is one of several groups comprised of ISM members with common interests in education and networking in various topics. Members are either in service industries or supply management professionals who buy services. The Services Group's University Relations efforts focus on four main areas: scholarships, internships, on-site activities and mentoring.

Scholarships: The ISM Services Group has established relationships with several universities that provide supply chain degree programs. As a part of the partnership, ISM Services Group provides annual scholarship opportunities for students at the partner universities. The scholarships are presented to the students at the Services Group Annual Conference in December. The Services Group also helps subsidize travel expenses and conference fees for students and professors attending the conference. The Services Group also assists partner students and universities in other ways:

Internships: ISM Services Group works to link students and potential employers together in internship opportunities.

On-Site Activities: ISM Services Group engages in on-site activities at the partner universities to facilitate the student's educational experience in supply chain management. Targeted activities include:

- * sponsoring/attending campus events related to Supply Management
- * making presentations (joint or individual) at conferences and to student groups
- * guest lecturing in classrooms
- * establishing booths at Career Fairs
- * recruiting efforts
- * becoming members of Advisory Councils



Chris Flum, C.P.M., and Marty Bell, C.P.M., A.P.P., co-chair the ISM Services Group University Relations Committee.

12th Annual ISM Services Conference

Pointe Hilton Tapatio Cliffs Resort—Phoenix, AZ

Conference Agenda

Thursday, Dec 1, 2011

- 7:00 - 7:50 a.m. Breakfast
- 7:50 - 8:15 a.m. Welcome / Opening Remarks
- 8:15 - 9:15 a.m. General Session
TA — Meaningful Involvement in Services Purchasing: Insights from Cases
Wendy L. Tate, Ph.D. - Assistant Professor - University of Tennessee
- 9:30 - 10:30 a.m. General Session
TB — Saving Lives, Saving Money: Supply Chain Management at the American Red Cross
Jill Bossi, C.P.M. - Chief Procurement Officer - American Red Cross
- 11:00 a.m. - 12:00 p.m. Concurrent Sessions
TC — Enlightened Marketing Procurement: Maximizing Investment. Minimizing Waste
Chuck Haisis - President - Surge Consulting
Shannon Puhl, MBA - Director, Supply Management Services - Nationwide
- TD — TCO and Relo: Reducing Costs and Driving Value Within Your Corporate Mobility Spend**
David Barlow, SCRP, SGMS - Senior Vice President, Senior Consultant - SIRVA, Inc.
Jon Gilbertson, GMS - VP of Risk, Global Supply Chain & Procurement - SIRVA, Inc.
- 1:30 - 2:30 p.m. General Session
TE — What Everyone Really Needs To Understand About the Software Licensing Process
Peter J. Frazza, Esq. - Chair, Technology Law Group - Budd Lerner, PC
- 3:00 - 4:00 p.m. General Session
TF — Building a High-Impact Indirect Sourcing Function
Derek Everitt, CPSM - Global Sourcing Director - Terex Corporation
- 4:15 - 5:00 p.m. Roundtables
- 5:00 - 7:00 p.m. Networking Reception

Friday, December 2, 2011

- 7:00 - 7:45 a.m. Breakfast
- 7:45 - 8:00 a.m. Opening Remarks
- 8:00 - 9:00 a.m. General Session
UA — The Five Golden Rules of Negotiation: Negotiation Best Practices for Services
Martin E. Latz, Esq. - Founder and CEO - ExpertNegotiator Planning & Management Software
- 9:15 - 10:15 a.m. Concurrent Sessions
UB — Temporary Labor Sourcing: What You Need to Know to Successfully Source This Category
Rosanna Yang - Director - A.T. Kearney's Procurement & Analytic Solutions Group
Tom O'Neill, B.C.E, MBA - Managing Director - CoVest Services, LP
- UC — Navigating Uncharted Sourcing Territory: How to Gain and Maintain Access to the Relationship Categories**
Whitney A. Taylor - Senior Sourcing Manager - Advanced Micro Devices, Inc.
- 10:30 - 11:30 a.m. General Session
UD — Out Front Supplier Diversity Goes Global and Green
Joan N. Kerr, J.D., M.S.W. - Director, Supplier Diversity/Development - Pacific Gas & Electric Company
- 11:30 a.m. - 11:45 a.m. Closing Remarks

visit us at www.ismservicesgroup.org