



**institute for
supply management**

ISM Materials Management News

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Materials Management Group

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About ISM

Founded in 1915, the Institute for Supply Management™ (ISM) is the largest supply management association in the world as well as one of the most respected. ISM's mission is to lead the supply management profession through its standards of excellence, research, promotional activities, and education. ISM's membership base includes more than 34,000 supply management professionals with a network of domestic and international affiliated associations. ISM is a not-for-profit association that provides opportunities for the promotion of the profession and the expansion of professional skill and knowledge.

The ISM MMG Newsletter is a production of the ISM Materials Management focus Group.
Edited by Biman Ghosh, PMP, Ph.D., Manager, Lean Six Sigma at Rockwell Automation.
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Celebrating ISM's Supply Management Month 2011 & the ISM Materials Management Group

One of our goals this year was to produce an interesting newsletter for the Material Management Group. So there is no better time than the present and it's time to celebrate ISM's Supply Management Month.

Just thinking back to last year, the Materials Management Group (MMG) Co-Sponsored some amazing workshops and had great success. We co-sponsored workshops in Cleveland, Ohio and in Salt Lake City, Utah. We have had some amazing speakers and have co-sponsored with some amazing affiliates.

This year, the MMG is planning at least one Co-Sponsored Seminar and Workshop with an ISM-Affiliate. We have a couple openings and we are open to co-sponsoring an event with your affiliate too. If your affiliate is interested in co-sponsoring with the MMG, please contact Karl Harward for available dates and potential speakers:
karl.harward@slcgov.com

Last year, April 2010, our group was honored at the 95th. ISM Annual International Supply Management Conference and received the **"2009 ISM Group/Forum of the Year" Award**. This year, we are recognized by ISM for achieving the **"2010 Groups and Forums Excellence" certificate**.

It's inspiring to be a member of such a great group! However, we need a few more volunteers and ideas on how we can add value for our members and profession. If you are interested in volunteering for a particular workshop or to be a member of the Board of Directors, please send an email with a letter of interest to the MMG Nominating Committee C/O Karl Harward: (karl.harward@slcgov.com)

We encourage ISM members to enroll in the MMG through the ISM Web site www.ism.ws. It's free to join! We want to hear from ISM members who would like to represent the MMG in their local affiliate.

The MMG promotes professional development, best practices, networking opportunities and co-sponsors with ISM affiliates. The MMG brings a great wealth of knowledge from the MMG Board of Directors and others. We have a panel of materials management experts standing by to process and respond to your inquiries, materials-related problems, or issues for commentary.

Thanks to all the affiliates we have worked with in the past. We look forward to working with you again soon, and maybe a few new affiliates this year!

ISM's Materials Management Group Receives Excellence Award



Shelley Stewart, Jr., CPSM, ISM Board of Directors, Chair (left), Paul Novak, CPSM, ISM Chief Executive Officer (center), Karl Harward, MBA, ISM MMG, Chair (right)

Institute for Supply Management™ (ISM) honored its Materials Management Group as 2009 Group or Forum of the Year. ISM officially recognized Group and Forum excellence at a Volunteer Appreciation Breakfast during its 95th Annual International Supply Management Conference and Educational Exhibit in San Diego on April 26, 2010.

Materials Management Group Chair Karl Harward, MBA, says the honor represents a culmination of efforts of the group's past and present board members. "We have had amazing success with our seminars, workshops, and conferences in the face of financial difficulties and market downturn," Harward says. "It's inspiring to participate as a leader and a member of such a hard working group."

According to Harward, some of the goals and objectives of the Materials Management Group are to promote professional development, best practices, and networking opportunities by providing educational opportunities in all areas of supply management including various topics on: purchasing, production planning, inventory management, warehousing, traffic, and transportation. "We are always interested in opportunities to co-sponsor engaging speakers and events with other local ISM affiliates, groups and forums" Harward concluded.

MMG to Sponsor several Workshops at ISM 2011 International Conference

With the recent recession behind us, most of the world has resumed at least a modest rate of economic growth. Materials management is a prime driver of the new economic resurgence, both on the manufacturing and non-manufacturing fronts. Many of us have expanded our materials-management skills beyond manufacturing to include service, reverse logistics, repair, etc.: the complete Supply Chain.

The Materials Management Group of ISM has a mission to advance professional development in the field of purchasing and materials management. Materials management is practically synonymous with supply management, and includes the entire field of purchasing along with disciplines such as production or service planning, warehousing, traffic, and trucking. As part of fulfilling this mission, the MMG is sponsoring several workshops at the ISM International Conference in Orlando May 15-18, 2011. Some of us will be helping to staff the Groups and Forums Booth. Drop by and let's talk shop. We recently collaborated with NAPM-Utah to sponsor Current Trends in Procurement & RFP Processes. We are planning more events for the upcoming months.

Anyone involved with materials has a stake in materials management. By enrolling with the MMG, you give us an opportunity to know who you are, where you are, what services you might need, and to keep you informed of educational and networking opportunities that we might offer. Enrollment costs nothing and takes very little time. Simply visit www.ism.ws / Members Only / Affiliates, Groups & Forums / Group/Forum Enrollment Form [log in] / Find Materials Management under Groups. As an ISM member you can sign up for any groups or forums at no cost.

We would like to hear from ISM members, from any place in the world, that would like to help represent the MMG in their area or to participate in planning at the national or international level. If you have an interest in working with the MMG leadership team, please contact the Membership Chair Joe Ferritto jferritto@applied.com or any other board member at the MMG website www.ismmmg.org.

We look forward to hearing from you.

Fred Lutz (fred.lutz@servigistics.com; 1-585-419-3152) is a Demand Planner at Servigistics, a company that provides software and hosting for planning service parts and also offers Planning as a Service. He is a Past Chair of the MMG.

Upcoming Seminar

MMG – Sponsored Workshops at the ISM 2011 Annual International Conference in Orlando, May 15-18, 2011

Sunday May 15, 2011 3:30 pm – 4:45 pm

Leading Supply Management Transformation: Key Success Factors and Pitfalls

Session **AA**

One challenge that procurement professionals face is senior management's lack of understanding regarding the strategic opportunity they can provide. Based on actual experience from leading procurement transformations, the presenter shares insights on building the case for procurement transformation and constructing a winning transformation roadmap.

Sponsored by the ISM Materials Management Group.

Robert A. Rudzki

President

Greybeard Advisors LLC

Repeats in session IH.

Telling Your Price Performance Story: Creating a Purchased Price Index

Session **AF**

When prices are volatile, how can you show that supply management is doing a great job? Learn the step-by-step of how-to develop and maintain a purchased price index and compare it to external indexes so you can demonstrate supply management's value-add.

Sponsored by the ISM Materials Management Group.

Robi H. Bendorf, CPSM, C.P.M.

President

Bendorf & Associates

Repeats in session DF.

Monday May 16, 2011 3:00 pm – 4:15 pm

Track Developing and Leading Impactful Supply Chain Organizations

Performance Metrics: Beyond Cost Savings and Cost Avoidance

Session **DH**

Traditional supply management performance focuses on cost savings/avoidance. Beyond opportunistic wins and low-hanging-fruit, the future will not be easy. Discover a strategic ROI model, common cost misconceptions and the importance of inventory valuation, and suggest metrics linked to top management goals to ensure continuing success for supply management.

Sponsored by the ISM Materials Management Group.

M. Bixby Cooper, Ph.D.

Associate Professor of Supply Chain Management

Michigan State University

Nicholas C. Little, MCIPS

Assistant Director, Executive Development Programs

Michigan State University

Steven A. Melnyk, Ph.D.

Professor of Operations & SCM

Michigan State University

Tuesday May 17, 2011 3:00 pm – 4:00 pm

Critical Issues in Services Contracting

Session **FA**

Services contracts have many attributes which distinguish them from commodity contracts. The progressive supply management professional must be conversant with these legal and practical distinctions. This workshop provides a summary and many details which enable us to develop comprehensive contracts for acquisition of diverse services.

Sponsored by the ISM Materials Management Group.

Ernest G. Gabbard, J.D., CPSM, C.P.M.

Senior Director, Corporate Strategic Sourcing
Allegheny Technologies, Inc.

Track Supplier Development and Relationship Management

Leveraging Strategic Supplier Relationships to Extract Real Value

Session **FG**

This workshop focuses on how to develop existing suppliers into strategic supplier relationships by first identifying strategic supplier candidates and then maximizing the total long-term value of the joint relationship. Specific guidelines and tactics that all procurement professionals can use to accomplish this objective are also discussed so that participants learn how to put these principles into practice immediately in their companies.

Sponsored by the ISM Materials Management Group.

Todd Zielinski

Vice President, Strategic Sourcing & Procurement
Georgia-Pacific LLC

Tuesday May 17, 2011 4:15 pm – 5:15 pm

Track Best Practices in Supply Management

Becoming a Better Customer: Results and Implications for Supply Managers

Session **GF**

Are you a good customer? Are you sure? If not, you are missing the benefits of joint supplier-buyer improvement. Learn how one company became a better customer and realized significant bottom-line improvements through open supplier feedback, joint problem-solving and an organizational training program about the supplier relationship process.

Sponsored by the ISM Materials Management Group and the ISM Pharmaceutical Forum.

Larry C. Giunipero, Ph.D., CPSM, C.P.M.

Professor of Supply Management
Florida State University

Christopher Silva, CPSM

Associate Director, Strategic Procurement
Alkermes, Inc.

(continued)

Social Networking: The Good, the Bad and the Ugly

Session **GI**

In the first decade of the 21st century, the Internet has reached a new plateau in providing tools for purchasing professionals. Social networking, blogging, Tweeting, YouTube, LinkedIn, Plaxo, Jigsaw, Facebook, Flixster, MySpace and XING are the new Internet language. What's it all about, can it help the supply manager, and is it safe?

Sponsored by the ISM Materials Management Group.

Marilyn Gettinger, C.P.M.

Owner

New Directions Consulting Group

Contracting for the Purchase and Sale of Goods in a Risky Global Market

Session **GJ**

There is little doubt that ISM members now work in a global market. Simply understanding the laws of one's state or nation is not enough. Rather, you must know how to contract globally and understand the risks in doing so. This session provides that understanding.

Sponsored by the ISM Materials Management Group.

Allen L. Anderson, J.D.

Lawyer

Fees & Burgess, P.C.

Jeffrey L. Roth, J.D.

Lawyer

Fees & Burgess, P.C.

Wednesday May 18, 2011 7:45 am – 10:00 am

Mega Session

Accelerate Your Career — Beyond Supply Management

Session **BUS**

As supply managers, we are very focused on cost and value improvement, supplier relationship management, supply chain integration, and efficiency and forecasting. While all of these skills are essential for a successful career in supply management, they are the very skills that can limit your ultimate progression through the organization. The missing link is our ability to display and practice our command of business issues, business strategy and solutions that drive revenue. In a recent survey of chief executives, business acumen was highlighted as one of the most important traits preferred in supply managers. This session will broaden your perspectives, and focus on business acumen and assist you in developing additional perspectives with a wide-angle vision.

Seating is limited. Pre-registration required.

Sponsored by the ISM Materials Management Group.

William L. Michels, CPSM, C.P.M.

CEO

ADR North America LLC

Business and Marketing Plan, 2010-2011

Executive Summary

The Materials Management Group (MMG) is dedicated to enhancing the professionalism of the purchasing and supply management field. The MMG provides the highest level of educational opportunities to our members through seminars and conferences.

The MMG recognizes the value of our volunteer base and extends the invitation to all members to work with the Board of Directors on committees to further our goals and objectives.

Background and History

The role of materials management is continually evolving. In 1915 the National Association of Purchasing Agents (NAPA) was founded and operated under that name until 1968. Then the name was changed to National Association of Purchasing Management (NAPM). It was thought that by replacing agent with management our image would be enhanced and we would be perceived as more professional.

At the beginning of this new century the National Association of Purchasing Management once again changed its name seeking to change its image, as well as broadening its role. The new name is Institute for Supply Management (ISM).

What is materials management? In January 1944, Professors Lewis and Livesey wrote that "Materials Management is concerned with the establishment of policies and execution of policies related to determining the amount (as distinguished by kind) of materials requirements: ordering, purchasing, storing and issuing; and maintaining all necessary inventory and control records."

In 1969, the APICS definition was "the grouping of management functions related to the complete cycle of materials flow, from the purchase and internal control of production materials, to the planning and controlled work in process, to the warehousing, shipping and distribution of finished goods."

Vision

The Materials Management Group (MMG) promotes professional development, best practices and networking opportunities in our broad profession. Our field encompasses all aspects of purchasing, production planning, inventory management, warehousing, traffic, transportation and other related activities. We are continuing to revitalize the MMG and invite you to participate with us. We are in the process of establishing closer ties with ISM affiliates and increasing MMG enrollment.

Mission

The Materials management Group (MMG) of ISM has had as its objectives to further the knowledge of the ISM members and other interested parties, regarding materials management, or as we call it today Supply Chain Management. Over the past 20 years, MMG has sponsored hundreds of conference speakers, workshops, seminars and other professional development activities. During the past few years, MMG has been revisiting its mission and is beginning to reestablish itself in the educational and professional development arena.

Strategies

The Strategic Planning Committee consists of all Officers and Directors of the Material Management Group. A conference call will be planned annually to review the goals and objectives outlined by MMG, the business plan and the calendar of events.

- To provide MMG members the opportunity to discuss and exchange information and knowledge.
- To promote educational opportunities and aid in the education and professional development of MMG members.
- To provide quality educational opportunities through MMG.
- To provide and maintain website communications and links with ISM and affiliates
- To sponsor educational speakers for presentation at the International Conferences.
- Assist in manning Groups/Forums booth at International Conference.
- Publish newsletter with articles of interest on materials management.
- Submit article for Spotlight.
- Sponsor seminars at International Conference and Workshops.

The committee will have the opportunity to discuss, change, add and advise ways to improve the activities of the MMG.

The finance chair will present the annual budget that will be submitted to ISM.

Goals and Objectives

- To provide for the members of MMG who desire to become involved, the opportunity to discuss and exchange information and knowledge.
- To promote educational opportunities, aid in the education, and professional development of members of MMG.
- To provide quality educational opportunities through MMG.

- To provide and maintain website communications and links with ISM and affiliates.
- To sponsor educational speakers for presentation at the International Conferences.
- To assist in manning Groups/Forums booth at International Conference.
- To publish newsletter with articles of interest on materials management.
- To submit article for Spotlight.
- To sponsor seminars at International Conference and Workshops.

Marketing Plan and Event Schedule

The MMG has implemented a website to create an online presence for its members and others who wish to become familiar the group. Also, we have created a newsletter and plan to distribute periodically. Also, we have planned for various workshops and conferences throughout the year and here is the schedule:

Co-sponsored seminars with affiliates in 2011-2012

Sept 2011 Co-sponsored event with ISM-Utah

May 2011 Co-sponsored event with PMA-Cleveland

May 2011 Group & Forum Booth, BOD Awards, ISM Annual Conference

Other possibilities may include:

New Jersey

Las Vegas

Dallas

