

Utah Purchasing News

November 2000

<http://napmutah.org>



Look Who's Talking Now!!

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

Current Position: N.A.P.M. Professor of Purchasing/Supply Management within the Marketing Department of Florida State University. His primary teaching assignments are in the Purchasing and Supply Chain Management areas. Additional courses taught include: Logistics/Channel Management, Business Marketing and Sales Management.

Educational Background: Ph.D. degree from Michigan State University in Business. Master of Arts Degree in Accounting from Ball State University in Accounting and a Bachelor's of Science Degree from Purdue University in Industrial Management / Industrial Engineering.

Work Experience/Consulting: Previously employed by Westinghouse Electric Corporation in the Purchasing Department. He has served as a consultant to several major corporations and conducts various seminars nationally in the Purchasing and Supply Chain Management area. Topics include: Purchasing Fundamentals, CPM Review Seminars, International Sourcing, Strategic Sourcing, and Quick Response Purchasing. He is also the director of the week long FSU/NAPM executive management program entitled "Developing Excellence in Purchasing Management".

Writing and Research: Dr. Giunipero's research has been published in several journals. These include: Decision Sciences, The Journal of Supply Chain Management, Sloan Management Review, Industrial Marketing Management, International Journal of Logistics, International Journal of Physical Distribution & Logistics Management, Journal of International Marketing, International Journal of Retail and Distribution Management, and Electronic Buyers News. He is also the co-author of two textbooks, Purchasing Principles and Applications and Purchasing Internationally: Concepts and Principles.

Professional Memberships: National Association of Purchasing Management (N.A.P.M.), American Marketing Association and the Decision Science Institute. He is also a Certified Purchasing Manager (C.P.M.)



Monthly Happenings

Pre-Dinner and Dinner
Thursday, November 9th, 2000

Sheraton City Centre Hotel
150 West 500 South
Salt Lake City

4:30 P.M. Pre-Dinner

Plant Tour: Varian Medical Systems
1678 South Pioneer Road (2700 West), Salt Lake City
Host: John Thompson
(at security gate identify yourself as a member of NAPM.
Then check-in & receive security badge at main lobby.)

6:00 P.M. Dinner

“A Skills-Based Analysis of the World Class Purchaser”
Larry C. Giunipero, Ph.D., C.P.M.
Professor and Author

Dinner Menu:

Spinach Salad w/ Toasted Almonds
Chicken Marsala
Mashed Potatoes, Chef's Vegetables
Carrot Cake

Luncheon

Wednesday, November 15th, 1999
Central Utah Branch
Provo Holiday Inn
1460 S. University Avenue
Provo, UT

11:45 A.M. Luncheon

“The Effects of the 2002 Winter Olympics
on Utah County”
Lewis K. Billings
Provo City Mayor

Luncheon Menu

Prime Rib Sandwich
or
Teriyaki Chicken Salad

C.P.M. / A.P.P. Seminars Module #1

November 1 - December 6
Mountainland Advanced Technology Center
Call: 801-764-7528
for more information

Why A C.P.M.?

Trent N. Baker, C.P.M., A.P.P.
Vice-President

My first experience with NAPM-Utah was when I attended my first dinner meeting as a guest. As I looked around the room I felt quite intimidated. I had no college degree and had been in purchasing for less than a year. I felt so inferior to the many experienced buyers that were there. I heard many people refer to something they called a C.P.M. It was explained that it was a professional certification that everyone seemed to highly value.

Over the course of the next couple of years, I attended a couple of classes offered through the Salt Lake Community College in Purchasing. Again the instructor would make references to this thing called a C.P.M. and he encouraged us to become involved in NAPM-Utah. I thought I would give it a try. I approached my supervisor about supporting me in becoming a member of the Association. He declined stating that he was concerned that I would find better employment opportunities and leave the company. After several months and several attempts at convincing my boss of the advantages my membership in the Association would give me and in turn how it would improve my ability to perform my job, I determined that I would join on my own if needed. After expressing my feelings about becoming a member on my own, my employer then agreed to support me in becoming a member of the Association.

As I attended more meetings and began to get to know other members of the association, I began to feel more comfortable rubbing shoulders with the “real professionals” although I still felt inadequate as a Purchasing Professional myself.

NAPM-Utah Vision Statement

The National Association of Purchasing Management-Utah will be recognized as a center of excellence in establishing and promoting best -in-class professional standards of competency, ethics, education and certification for its members. We value and seek diverse membership and there are no barriers to full participation on the association.

C.P.M. Corner
by Cheryl Ransom, C.P.M., A.P.P.,
Certification Chair

Quiz:

Questions 1-4 refer to the following terms associated with purchasing contracts:

- A. Unconscionability
- B. Comity
- C. Force-Majeure
- D. Consideration

Choose from the above terms the one that is described or illustrated by each of the following. A term may be used once, more than once, or not at all.

1. A major, uncontrollable circumstance that excuses a party from performance of its contract obligations.
2. The thing that each party to a contract receives or gives up according to the terms of the contract
3. A contract provision that is so unreasonable that the courts will not enforce it.
4. A court in one state accepts the law of another state.

NAPM- Utah
Mission Statement

NAPM-Utah serves as a center of excellence in the development of world class purchasing and supply management professionals by providing education, certification leadership and networking opportunities for its members.

Answers will be given at the next luncheon/dinner meeting. Submit your correct answer for \$25.00 cash drawing.

Donald Dobler in the text "Purchasing and Supply Management" has considerable information on contracts. Regarding Order Cancellation and Breach of Contract, Dobler states: "If a supplier fails to deliver an order by the delivery date agreed on in the contract, or if it fails to perform in accordance with contract provisions, legally the supplier has breached the contract. The breach usually gives the purchaser the right to cancel the order. In addition, the purchaser can sue for damages if he/she wishes. In practice, the latter right is infrequently used."

Situations sometimes arise that compel a buyer to cancel an order before the supplier is obligated to supply the material. In making such a cancellation, the buyer breaches the purchase contract. This act legally is termed "anticipatory breach" and it makes the purchaser liable for any resulting injury to the supplier. If the cancellation leaves the supplier with partially finished goods in its shop, the firm can show that there is real injury. In such cases, if the in-process material is salable, the purchaser is usually held liable for the difference between the prorated contract value and the market value of the in-process material. If the material is not salable, the purchaser's liability usually covers the supplier's cost, prior to termination plus a reasonable profit on the contract. Dobler states that a "reasonable profit" generally is calculated using the same profit margin (percentage rate) as was included in the original contract.

Dobler recommends that a liquidated damages provision be included in contracts. Even though the courts generally refuse to enforce a penalty provision, such provisions stipulate in advance the procedures to be used to determine costs and damages. In some cases, specific damage payments are even stated. It is essential that the damage figures specified be a reasonable estimate of the probable loss and not be calculated simply to impose a penalty. A liquidated damage provision minimizes the possibility of misunderstandings and can serve as a buffer against ill will between the two organizations.

After a few more years went by a friend of mine told me about two classes that were going to be taught through the University Of Phoenix on the C.P.M. program. I decided that this was the right time to pursue my C.P.M. I went through all of the seminar certificates I had attended and the college credits I had accumulated up to that point and was amazed at how close I was to having enough points to get my C.P.M. With the completion of these classes I hoped that I would be able to pass the exams. The week after I had completed the classes from the University Of Phoenix, I took modules one and four which I passed. The following Tuesday I took modules two and three. I was filled with great anxiety as I hit the key on the computer completing the last exam and waited for my results to flash on the screen. I was excited when I saw that I had passed the last two modules. I still needed a few more points so I ordered a couple of Independent Study Programs and took one last seminar. This completed the necessary points that I needed to fulfill the requirements for my C.P.M.

About the same week that I received my notification letter from the national office, my boss received his letter notifying him of my accomplishment. He had me come into his office and congratulated me and let me know that I would be receiving a pay increase in my next check even though I had received an increase a few months prior.

Achieving my goal of receiving my C.P.M. not only resulted in an increase in my salary, but also gave me a sense of self-confidence. I had proved to myself that maybe I was capable of being one of the “real professionals” that I had looked up to through my beginning years in NAPM. I’m grateful to the many people in the Association that kept encouraging me through their words and example and helped give me the faith in myself that I was capable of achieving this important goal in my life. Now as I have taken on added responsibility by serving each of you as the Vice-President of NAPM-Utah, I hope that I will be able to encourage those of you who may feel somewhat inadequate or that you may not be up to the task. Achieving your C.P.M. is possible. I know that if I could do it so can you!

President’s Corner

Purchasing-Supply Chain Management How Do We Know When We Are Adding Value?

As I’ve begun a new process geared at developing a Results Oriented Budget and 5-year Plan for Salt Lake City Purchasing, I ask myself if perhaps some of you have the same questions I do or perhaps some of you have the answers I’m looking for?

I agree, Results Oriented Budgeting sounds great! The problem is; how do I find the right measurement that will tell me whether I am getting the results I want? The results that show we are adding value in Purchasing.

While I don’t have all the answers, I do know where to look for more information. Almost immediately I thought of The Center for Advanced Purchasing Studies (CAPS), which is organized and sponsored by NAPM. (see www.capsresearch.org)

In an article on the CAPS website by Harold E. Fearson, Ph.D., C.P.M., he states, “measuring performance of the purchasing function continues to be a vexing problem.” Again, I agree. Further, he states that hundreds of articles have been written on the subject, looking for a “magic formula.” While there is obviously no magic formula available, he believes the following guidelines are important:

CPO’s must constantly be on the alert to add new and appropriate measurements and to delete unneeded ones.

Measurements are primarily for the purchasing manager’s use in managing and monitoring the department.

Good computer systems are essential to support the flexibility needed to change and adapt measurements.

Trend analysis should be included in measurements to indicate the direction of progress.

I found the information that CAPS provided to be very helpful. At least a starting point. Our purchasing & contracts staff is still working to come up with some meaningful measurements. Then again, if you have any measurements that have worked well for your organization, we are open for suggestions!

See you in November

Tracey K. Stevens, C.P.M., CPPB
2000-01 NAPM-UTAH President

C. P. M. : THE HISTORY OF THE CERTIFIED PURCHASING MANAGER

By Jim Phillips, C.P.M., A.P.P.,

Marketing Chair

With its main objective the education of purchasing and materials management professionals, NAPM continuously adjusted programs to meet members needs. Yet, in the face of an ever-changing business environment there came greater impact on the purchasing process, helping set the stage for a program that would certify the competence of purchasing and materials management professionals

By the mid-1960s some NAPM members were talking about the possibility of a certification program – a formal program that could address the needs of the profession and association as well as define and develop a standard that could measure competence in the field.

In May 1966, Otto Winter, Purchasing Director for the City of Philadelphia, presented the concept of a valid certification program to the NAPM Board of Directors. Presenting in behalf of a group of purchasers, Winter's proposal emphasized academic standing and background, experience and included an examination. The plan was very comprehensive and served as the basis for today's C.P.M. program. However, it didn't meet with much enthusiasm.

It seems the plan was rejected for a couple of reasons. First, the heavy emphasis on college work – at that time undergraduate and graduate education wasn't a strong concern among members. Second, a written and oral examination had to be taken. The real clincher came when people found out they had to talk in front of peers. That's when they said forget it.

Seven years went by before the issue of certification was present to the Board of Directors again. This time the Board agreed to the plan. In March of 1974, the Board approved the final plans. A three-member Certification Board was selected to develop the policies and the operation plan for the program. The official introduction of the C.P.M. program was made June 1, 1974. The first certificates – 605 of them – were awarded in September that year. By 1976, more than 5,000 individuals had certified and today there are over 33,500 people who carry the C.P.M. designation.

This standard of professionalism for the purchasing field addresses five purposes, which are:

1. To improve the professional capabilities of purchasing personnel by giving specific direction to an educational program, and to provide a measure of such professional development;
2. To provide purchasing personnel with a goal and the assurance that comes from knowing that a professional educational standard has been achieved;
3. To promote the designation of C.P.M. as a recognized standard of proficiency in the profession;
4. To assist employers in selecting qualified purchasing employees; and
5. To plan and sponsor a program of continuing professional development for the purchasing professional.

This year the NAPM Certification Program successfully continues in its 26th year.

Next month: *The A.P.P.: Extending Accreditation throughout the Supply Chain.*

NOVEMBER NAPM-UTAH CENTRAL UTAH LUNCHEON

The November meeting for the 2000-2001 NAPM-Utah Central Utah Branch will be on Wednesday, November 15th, at the Provo Holiday Inn, 1460 S. University Avenue (exit 266).

The month's program will feature Provo Mayor, Lewis K. Billings. He will be speaking on "The Effects of the 2002 Winter Olympics on Utah County." Mayor Billings is a lifelong resident of Provo. He was elected Mayor in 1997 after completing 3 years as Chief Administrative Officer and Director of Community and Governmental Relations for the City of Provo. He received his early education in Provo, later studying engineering, technology and business at Brigham Young University. Prior to his employment at Provo City, Mayor Billings was President and Managing Partner of IDC, an investment partnership specializing in "turn-key" lease facilities for small to medium sized businesses.

Developing partnerships and coalitions within the local community and region has become a major item of focus during Mayor Billings' tenure. He was a central figure in establishing a partnership between Provo City, Utah County, the Utah Sports Authority, the Seven Peaks Management Company and the Salt Lake Olympic Committee for the funding and construction of the new Olympic Ice Arenas in Provo. (Provo will be the Olympic Venue for Women's Hockey during the 2002 Winter Games). In 1999, Mayor Billings was appointed by Governor Leavitt to the Board of Trustees of the Salt Lake Olympic Committee.

Ruby River will be catering the luncheon. You may choose either the Prime Rib Sandwich or the Teriyaki Chicken Salad. Please indicate your choice below on your RSVP. We will start seating at 11:45 a.m. and will begin serving the entrée at noon.

Please RSVP by Monday November 13th, to Cathy Gillies at TwinLab Utah by fax: (801) 492-0581 or by email: cgillies@naturesherbs.com. See you there!

- ☛ A professional photographer will be taking pictures for the NAPM-Utah Directory of Members from 11:30 a.m. to 1:30 p.m. Please arrange your schedule to take advantage of this opportunity. Thanks!

NOVEMBER NAPM LUNCHEON RSVP

COMPANY _____

NAMES _____

PRIME RIB LUNCHESES _____ SALAD LUNCHESES _____



Dinner Meeting Reservations

November 9th, 2000

Attention: Trent N. Baker, C.P.M.
Vice-President, NAPM-Utah

Please R.S.V.P. no later than 3:00 p.m. on Monday November 6th.

Company _____

Name(s) Attending	Pre-Dinner Workshop (4:30)	Dinner (5:45)
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>

R.S.V.P. by either of the following;

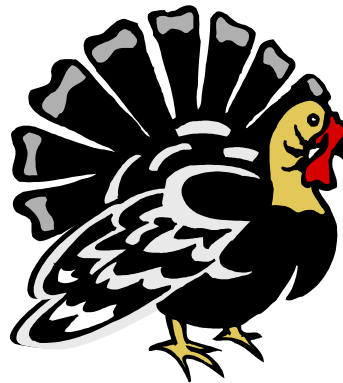
E-Mail: trent@lynnwilson.com

Web: www.napmutah.org

Fax: (801) 975-0915

Phone: (801) 972-5633 ext.114

Mail: Trent N. Baker, C.P.M.
1811 West 1700 South
Salt Lake City, UT 84104



The  UNIVERSITY OF UTAH AND

PROFESSIONAL EDUCATION

Present:

National Association of Purchasing Management's

Accredited Purchasing Practitioner (A.P.P.)
Designation Exam Preparation

and

Certified Purchasing Manager (C.P.M.)
Review: Modules 1 and 4

November 9-10

8 a.m. - 5 p.m.

Murray/Cedar Park

5282 S. 320 W., Ste D-110

Rm 106

Go to <http://proed.utah.edu/appcpm/regform.html> to Register

"I strongly encourage my staff to pursue professional designations like A.P.P. and C.P.M. offered through the National Association of Purchasing Management. These designations have shown real value in the workplace and have been personally rewarding to the individuals who have obtained them."

James T. Parker, C.P.M.

Director of Purchasing, University of Utah

MODULE 1: Purchasing and Sourcing. Procurement requests, preparation/evaluation of solicitations, supplier analysis, negotiation process, and contract execution, implementation and administration.

MODULE 4: Critical Issues in Supply Chain Management. forecasting and strategies, external/internal relationships, computerization, and environmental issues. Cosponsored by National Association of Purchasing Management - Utah, Inc. www.napmutah.org

TIMES, DATES, LOCATION

November 9-10, 8 a.m. - 5 p.m.

Murray/Cedar Park

5282 South 320 West, Ste D-110

Room 106

INSTRUCTOR: Cheryl Ransom, A.P.P., C.P.M., "1999 Utah Purchasing Manager of the Year". MA, Management/Human Relations and Organization Behavior, Brigham Young University

TEXT: Purchasing and Supply Management, by Donald W. Dobler and David N. Burt, published by McGraw-Hill (purchased separately by student)

FEE: \$295 - current members of NAPM - Utah are entitled to receive a "member discount" of \$95. Fee does not include text book.

FOR MORE INFORMATION:

Professional Education

University of Utah

423 Wakara Way, Ste 203

Salt Lake City, UT 84108-1242

Telephone: 801-585-1780

Fax: 801-581-3165

Email: proed@aoce.utah.edu

NAPM-Utah Directory of Officers

2000 - 2001

Affiliate Officers	Board of Directors	NAPM-Central Utah Branch
Director National Affairs Mark Brown, C.P.M., A.P.P. Autoliv ASP Phone: 801-629-9528 E-mail: Mark_Brown/UT/ASP@autolivasp.com	David R. Gill, C.P.M. Dyno Nobel Inc. Phone: 801-328-6457 E-mail: david.gill@am.dynoasa.com Gary O. Hansen Granite School District Phone: 801-268-8562 E-mail: gary.hansen@granite.k12.ut.us Martin McBride, C.P.M., CPIM Martin Door Manufacturing Phone: 801-973-9310 E-mail: martinmcbride@martindoor.com Daryl Flamm, C.P.M. LDS Church Phone: 801-240-1227 E-mail: flamm@dlds.church.org Susan Maass Smith MegaDiamond Phone: 801-818-4254 E-mail: smaas@smith.com Jeff Palmer, C.P.M. HyClone Phone: 435-792-1005 E-mail: jeff.palmer@perbio.com	Coordinator Cathy Gillies TwinLab Utah Phone: 801-492-7394 E-mail: cgillies@naturesherbs.com Assistant Coordinator Jim Michaelis, C.P.M. Utah Valley State College Phone: 801-222-8303 E-mail: Michaeji@uvsc.edu Membership Irene Wilson, C.P.M. Valtek, Inc. Phone: 801-489-2464 E-mail: lwilson@flowserve.com Treasurer/Secretary David Huntsman City of Provo Phone: 801-852-6541 E-mail: provo.dhuntsma@state.ut.us
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Vice-President Trent Baker, C.P.M. Wilson Foods Phone: 801-972-5633 E-mail: trent@lynnwilson.com		
Secretary Debbie Hefner, C.P.M. Ogden City School District Phone: 801-625-8730 E-mail: hefnerd@m.ogden.k12.ut.us		
Treasurer Karl Harward Salt Lake City, Corp. Phone: 801-483-6832 E-mail: karl.harward@ci.sl.c.ut.us		

Committee Chairs:

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Professional Development Tom Short, C.P.M. LDS Church Phone: 801-240-1236 E-mail: shorttj@lds.church.org	Employment Coordinator Carey Olsen, C.P.M. Novell Phone: 801-861-4242 E-mail: colsen@novell.com	Web Engineer Bryan Hemsley, CPPB Salt Lake City Corp. Phone: 535-6347 E-mail: bryan.hemsley@ci.sl.c.ut.us
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