



# Utah Purchasing News

October 2000

<http://napmutah.org>



## Look Who's Talking Now!!

### Preston J. Leavitt, C.P.M., Ph.D., J.D., Attorney



Preston J. Leavitt is an educator, trainer, consultant, and seminar leader with more than thirty years of business background and academic experience. His clients include private industry, non-profit associations, and government organizations. He has managed the procurement operations for companies from start up to nationwide expansion as well as overseen the marketing functions for corporations from idea creation to profit generation. He currently serves as an Adjunct Professor in the College of Business at the University of Colorado at Denver. He also teaches in the Department of Management and the Department of Marketing at Metropolitan State College of Denver, where he has been named a distinguished faculty member in the School of Business. In addition, he is a Certified Arbitrator with the American Arbitration Association.

Dr. Leavitt is a Lifetime Certified Purchasing Manager and a member of the National Association of purchasing Management since 1976. His articles have appeared in *The wholesaler*, *Purchasing Issues*, *Electronic Buyers' News*, *purchasing Today*, *Purchasing Management magazine*, and *Guide to Purchasing*. He is the recipient of the highest honor conferred by NAPM-Denver, The Ernie waters Distinguished Service Award. He holds a B.A. in Social Science, an M.A. in Speech Communication, a J.D. in Law, and a Ph.D. in Business Administration.



## President's Corner

### What About Our Plan?

In September I mentioned that I was excited about the plans in place for the upcoming NAPM-UTAH year. My enthusiasm for these plans continues to grow as the board and committee chairs report on their specific areas of responsibility!

However, in a recent conversation I had with one of our officers, it was brought to my attention that perhaps we are not providing enough information to our local members regarding the NAPM Strategic Plan, which is the basis for why we do what we do. Furthermore, what really is a strategic plan?

A strategic plan is defined as a statement outlining an organizations direction (vision), goals, objectives, action plans and measurements, given the organizations unique external and internal situation.

The National NAPM 2000-2005 Strategic Plan covers five main areas as follows:

- I. Strive Toward World Class Professionalism
- II. Expand the Association's Value to those in the Supply Management Process
- II. Promote Member Participation, Encourage Diversity, Provide Affiliate Support and Develop and Increase the Number of Volunteers for Leadership.
- IV. Double the 1998 Association Membership by Sept. 2003.
- V. Ensure NAPM has the Proper Structure and Governance for the Future.

Our intent, in the role as leaders of NAPM-UTAH is to align our goals and objectives with those of the NAPM Strategic Plan. For more information on the NAPM Strategic Plan, and strategic planning in general, go to [www.napm.org](http://www.napm.org) and search under strategic planning.

#### Plan to see you in October-

*Tracey K. Stevens, C.P.M., CPPB  
2000-01 NAPM-UTAH President  
E-Mail: [tracey.stevens@ci.sl.c.ut.us](mailto:tracey.stevens@ci.sl.c.ut.us)*

### Monthly Happenings

**Pre-Dinner and Dinner  
Thursday, October 12<sup>th</sup>, 2000**

**NEW LOCATION  
Sheraton City Centre Hotel  
150 West 500 South  
Salt Lake City**

Parking Validations will be given out at the meeting.

#### **4:30 P.M. Pre-Dinner**

"5 Elements of Contract Law: Offer, Acceptance, Consideration, Legality"

Preston J. Leavitt, C.P.M., PhD., J.D., Attorney

#### **6:00 P.M. Dinner**

"Remedies and Damages in Contract Law"

Preston J. Leavitt, C.P.M., PhD., J.D., Attorney

#### **Dinner Menu:**

Caesar Salad  
London Broil  
Rice Pilaf & Chef' Vegetables  
Dessert: New York Cheesecake

#### **Luncheon**

**Wednesday, October 18<sup>th</sup>, 2000**

Central Utah Branch  
Provo Holiday Inn  
1460 S. University Avenue  
Provo, UT

#### **11:45 A.M. Luncheon**

"Battle of the Forms"

Ace Sornsen

# It's About Time

**Trent B. Baker, C.P.M., A.P.P.**  
**Vice-President**

Early in my Purchasing career, I was asked to find someone to re-stripe our parking lot. I found a few people who seemed qualified to do the work and made appointments with each of these companies to meet with me. I walked around the parking lot with them and explained what our expectations were then left them to take their measurements and work up their bid.

Within a day or two I received the bids from these companies. The second company had the better price. I received a phone call from this company in the afternoon wanting to know how their bid looked. I knew that I didn't have to make my decision right then so I told him that I was still reviewing the bids and would make my decision the next day.

The next morning I received a call from the company who had called me the afternoon before. The salesman told me that he reviewed his bid and would like to give me a better price if I had not already made my decision. I told him that would be fine. He came by that morning with a new bid that was lower than the original. I signed the quotation and issued a Purchase Order and the work was done within a couple of days.

Time is a tool that can be used to our advantage. When we are negotiating with a supplier, we need to know if time is on our side or not. The more time that we have to make a decision, the more we can use time to our advantage. When time is not on our side we need to be careful not to appear to be too eager or in a hurry. This will give the supplier the upper hand if he knows we are under tight time constraints. Negotiating effectively with our suppliers takes a lot of practice and definitely takes "time".

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## CERTIFICATION CORNER

The National Association of Purchasing Management (NAPM) has a strong commitment to the purchasing and supply management profession. The Certified Purchasing Manager, or C.P.M. program is focused on the managerial, administrative, strategic and tactical aspects of the purchasing and supply function. It is designed to appeal to purchasing and supply managers, to those aspiring to management-level positions in purchasing and supply and to others who wish to develop managerial, administrative and strategic expertise in addition to tactical skills.

The Accredited Purchasing Practitioner, or A.P.P. program is designed to serve entry level buyers and those outside the organization's purchasing and supply department primarily engaged in the tactical and operational aspects of the supply chain management process, including cross-functional team members.

As part of each program candidates must pass a rigorous examination. The C.P.M. examination consists of four modules. The A.P.P. exam has two modules.

Beginning January 1, 2001, a new C.P.M. A.P.P. certification program will be implemented. The examination structure of the modules has been changed. It is recommended that those candidates who have started the C.P.M./A.P.P. certification program lengthen their strides to finish by December 31st.

NAPM-Utah will sponsor C.P.M., A.P.P. preparation classes for the new 2001 program. Plans are underway for classes to be held in conjunction with the University of Utah as well as classes which will be solely sponsored by NAPM. These classes should be ready by January and will be held in the Sandy/Midvale and Orem areas. If there is enough support, classes can be scheduled in the Northern Utah area. Please contact me at 801-794-2600 or E-Mail me at "cherylransom@hotmail.com" to express your interest. Companies can contract with NAPM-Utah for on-site classes as well.

Each month in this newsletter, a C.P.M. test question will be given. Come to the dinner/luncheon meetings and find out the answer:

### C.P.M./A.P.P. Quiz

Questions 1-3 refer to the following cost-type contracts:

- A. Cost plus percentage of cost
- B. Cost plus incentive fee
- C. Cost plus fixed fee
- D. Cost without fee

Choose from the contracts above the one referred to by each of the following. A choice may be used once, more than once, or not at all.

1. Under this type of contract, a seller may lose all or part of its fee, but all of its costs must be paid by the buyer.
2. This type of contract is usually used by universities doing research work for government and industry.
3. Federal agencies are prohibited from using this type of contract, although it is still used in the construction industry.

# MARKETING MESSAGE

## WHAT IS CERTIFICATION?

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

Simply put, certification is a pronouncement of two basic points. First, the intent of an individual to be a recognized professional; that is, to be recognized as a purchasing or supply management professional. It's a demonstrated commitment to world class professionalism. Second, certification is a primary indicator of ones mastery of a certain body of knowledge requisite to the job. It is a known measurement of professional competence.

Sounds pretty stuffy, doesn't it?

Let's talk just for a minute about how *you* use certification. In your work do you write or use specifications that require a UL certification. How about buying products that call for a certain ASTM standard or test to be applied? Are there other indicators in our lives we look for? Doctors, Dentists, we even look for FTD Florists. In truth, the procurement world isn't any different.

There are dozens of reasons to certify. There are as many as there are individual contemplating it. Here are just a few: personal satisfaction, a desire to be better trained in purchasing, employer persuasion, or the desire to be more involved with NAPM.

Are there monetary benefits to being certified?

Every person's situation is different. There are, however, several surveys supporting the idea certification pays. In just two studies, indications are that certified purchasing professionals receive from 6% to 18% more than their counterparts, when comparisons are all equal except certification. These studies were conducted by NAPM, of course, and one from *Electronic Buyers' News*. There are others from NIGP as well as one from the magazine *Purchasing*.

Now if I were a sales person, and I used to be, my next question would be, "How about you? What's keeping you from going after your A.P.P. and your C.P.M.?"

Next Month: *C.P.M.: The History of the Certified Purchasing Manager.*

### **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.

### **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.

# NAPM-Utah Directory of Officers

## 2000 - 2001

Affiliate Officers	Board of Directors	NAPM-Central Utah Branch
<b>Director National Affairs</b> 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	<b>Coordinator</b> Cathy Gillies TwinLab Utah Phone: 801-492-7394 E-mail: cgillies@naturesherbs.com  <b>Assistant Coordinator</b> Jim Michaelis, C.P.M. Utah Valley State College Phone: 801-222-8303 E-mail: Michaeji@uvsc.edu  <b>Membership</b> Irene Wilson, C.P.M. Valtek, Inc. Phone: 801-489-2464 E-mail: lwilson@flowserve.com  <b>Treasurer/Secretary</b> David Huntsman City of Provo Phone: 801-852-6541 E-mail: provo.dhuntsma@state.ut.us
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<b>Treasurer</b> Karl Harward Salt Lake City, Corp. Phone: 801-483-6832 E-mail: karl.harward@ci.sl.c.ut.us		

## Committee Chairs:

<b>By-Laws</b> Barbara Burningham, C.P.M.  Phone 801-292-7848 E-mail: burnimg@slkc.uswest.net	<b>Membership</b> Cathy Gillies TwinLab Utah Phone: 801-492-7394 E-mail: cgillies@naturesherbs.com	<b>Communication</b> Mark Hellewell, A.P.P. State of Utah Phone: 801-537-9042 E-mail: mhellewell@mailcity.com
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