



January 2010

Utah Purchasing News



<http://www.napmutah.org>

January NAPM Meeting

Happy New Year!

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Thursday, January 14, 2010

Salt Lake City Pro-D & Dinner

**Location: Hilton Garden Inn
250 West 600 South, Salt Lake City**

4:30 p.m.—Pro D Workshop

Speaker: Randy Wardwell
VP Sales, Credit Solutions Group of Davis & Henderson
Senior Financial Services Sales Executive

Topic: ***“Methods, Tools, and Skills –
the path to Win-Win in Business Alliances”***

5:30 p.m.—Dinner Meeting

Speaker: Brent Johnson, MBA, C.P.M.
VP of Supply Chain,
Chief Purchasing Officer for Intermountain Healthcare

Topic: ***“Strategic Alliances”***

RSVP due Monday, January 11, 2010 by 5:00 p.m. through Cvent

Wednesday, January 20, 2010

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: Brad Morley
TAMS Solutions

Topic: ***“Win-Win in Business Relationships”***

**RSVP due Monday, January 11, 2010 by 5:00 p.m. through Cvent
Or directly to Steve Mastin: stevemastin@gmail.com
by Monday January 18, 2010, 5:00 p.m.**



President's Message

Good New Year to all and I hope your year end was full of joy and rest! Thanks for all that came out to the play in December. It was a hoot, that's for sure.

When we start a new calendar year we naturally feel a sense of starting over and recommitment to certain goals. Many of you may be contemplating what kind of career moves you'd like to make during the next 12 months. Are you considering the possibility of moving up, or moving out, getting a new accreditation, or getting a new degree? Whatever your aspirations are, I hope you set your sites high and go for it.

A couple of articles in November's "Inside Supply Management" talk about the fact that many companies are reducing head counts but at the same time they may be faced with motivating their top talent to stay with them. Interesting...see these articles:

Top Talent, Top Strength – Top performers are considering job shifts as the economy begins to stabilize. Here's how to motivate them to stay with your organization.

When Downsizing is an

Opportunity in Disguise – In today's economy, almost no job is guaranteed, so it can be a wise career move to have a contingency plan in place.

I advise you read these articles and decide how these facts and trends may affect your career path plans. No matter what your plan is for this year, know that your participation in groups like NAPM-Utah can only be an asset as you build strong relationships with others in your field and continue your education.

Look forward to seeing soon at the January Pro-D and Dinner Meeting!

Whatever your aspirations are, I hope you set your sites high and go for it.

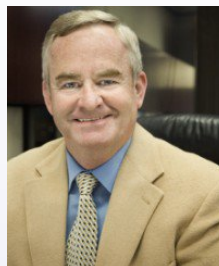


Jerilyn K. Midthun, C.P.M., CPPB
NAPM-Utah, President



Dinner Speaker— Brent Johnson

Brent Johnson is Vice President of Supply Chain, Chief Purchasing Officer for Intermountain Healthcare based in Salt Lake City, Utah. He is responsible for the \$1.5 billion non-labor spend of the company that supports 24 hospitals and 130 clinics. In his responsibilities he directs over 600 employees that support the corporate functions of warehousing, strategic sourcing, purchasing, material systems, couriers, travel services and central laundry.



He has a passion for supply chain management and has over 25 years of senior management and consulting experience applying best practices. He has developed the supply chain strategies for three major companies that produced significant results.

He was hired in June of 2005, as a result of a national search by Intermountain Healthcare to lead a new supply chain strategy for the company. In the past four years Brent has created a best-in-class Supply Chain Organization which has achieved over \$120 million savings, exceeding the \$20 million annual goal given to him when he was hired.

He is a Certified Purchasing Manager (CPM) and has an MBA from the University of Utah. He resides in Centerville, UT and has four children and eleven grandchildren.

*...a passion
for
Chain
Management...*

Pro-D Speaker— Randy Wardwell

Randy A. Wardwell is the Vice-President, U.S. Financial Services Sales, Davis + Henderson Credit Solutions Group. Davis + Henderson is a 5,000 employee Canadian company doing over \$650 in annual sales that provides technology solutions for check processing and loan administration for banks, credit unions, and Equipment Finance companies.



Mr. Wardwell has been a sales leader and sales executive for a number of world-class technology solutions providers such as NCR Corporation, Oracle Corporation, S1 Corporation, GMT Corporation and now Davis + Henderson. His clients have spanned vertical markets and industries and include GM, Ford, Chrysler, Caterpillar, Cummins Engine, Siemens, The Budd Company and many others. In the last 12 years he has been exclusively focused on the banking industry and has led or managed successful projects with companies such as Citibank, Zions Bank, Wells Fargo, Royal Bank of Canada, BB&T, Barclays, Lloyds TSB, Fifth Third, Chase, CIBC, Bank of the West, and many others.

Additionally, for the last 11 years Mr. Wardwell has been a certified instructor and Client Associate for the Miller-Heiman Corporation sales methodologies of Strategic Selling, Conceptual Selling, and Executive Impact, and has trained more than a hundred salespeople in North America and Europe. He attributes the utilization of the "Win-Win" concepts of these programs to the culmination of more than one hundred million dollars of business transactions between the companies he has represented and their clients.

Randy has been married to Stacey DeMille Wardwell for 34 years and they have 6 adult children and have 14 grandchildren with two more on the way. Randy has been heavily involved in business and community and church associations and was recently awarded the "Second Miler" award from Boy Scouts of America for his service to that organization as an adult leader. He is a graduate of Brigham Young University and he and Stacey live in Lehi, Utah.

Mark your calendars for the 2nd Thursday or 3rd Wednesday of each month for the NAPM-Utah Pro D and dinner or luncheon meetings.

**Important
DATE!**



Mountain States Economy

Mountain States Leading Economic Indicator Bounces to Healthy Reading

November survey results at a glance:

- Business conditions index climbs to healthy level.
- Still no jobs added for the month.
- Over 44 percent of supply managers expect no pay raise for 2010, with almost 50 percent anticipating more layoffs in the months ahead.

For Immediate Release: Dec. 1, 2009

Denver, CO –For a second straight month, the overall index for the Mountain States region, a leading economic indicator for the three-state area, moved above growth neutral 50.0.

The overall index, or Business Conditions Index, climbed to 55.4 for November from October's 51.6. The index is pointing to improving economic conditions in the months ahead for the three-state region composed of Colorado, Utah and Wyoming.

The November employment index increased to a still weak 49.9 from 46.1 in October. "The global economic recession has resulted in the loss of almost 27,000 manufacturing jobs, for a 9.7 percent reduction for the region. Our surveys over the past several months indicate that the pace of these job losses will diminish significantly in the months ahead. I expect job losses in the region to cease in the first quarter of 2010. This month, we asked supply managers about layoffs for their company. Over 44 percent anticipate that layoffs lie ahead for their company. As a result of the weak labor market, only 56 percent of the supply managers expect to receive a pay increase in 2010," Goss Institute for Economic Research Director Dr. Ernie Goss said today.

"While new orders and sales have been growing and are likely to continue to expand, that growth is likely to be volatile by historical standards with marginal improvements in the region's job market," said Goss today. The Goss Institute conducts the monthly survey



"...growth is likely to be volatile by historical standards with marginal improvements in the region's job market."



Mountain States Economy (continued)

for Supply Management Institutes in the three states comprising the Mountain States region. Goss also directs Creighton University's Economic Forecasting Group and is the Jack A. MacAllister Chair in Regional Economics (<http://www.ernestgoss.com/aboutus.html>).

Rebounding prices have accompanied the struggling economy. For the seventh time in the past eight months, the regional inflation gauge rose above growth neutral. The inflation gauge, which tracks the cost of raw materials and supplies, climbed to 57.4 from 56.3 in October. "However, by historical standards, the prices-paid index indicates only modest upturns in inflationary pressures in the region, even with a weak dollar and record low Federal Reserve (Fed) interest rates pushing prices

higher," said Goss.

At the Fed's November meeting, it was announced that they expect the nation's inflation rate, excluding food and energy, to decline over the course of the next two years. "Supply managers in our survey think that this outlook is a bit too optimistic. I agree with supply managers and expect inflationary pressures to rise above the Fed's acceptable range of 1.75 percent to 2.0 percent by the middle of 2010," said Goss.

Looking ahead six months, economic optimism, captured by the confidence index, dipped to a still strong 67.3 from October's 69.2. "Improvements in the housing market, along with very low interest rates, have lifted the economic outlook of supply managers in the Mountain States region," said Goss.

Trade numbers turned upward for November as new

export orders expanded to 59.5 from October's 47.0. November imports climbed to 57.9 from October's 56.7. Goss indicated that exports will be an important ingredient of the region's economic expansion.

Supply managers in the three-state region added to inventories for the month, providing another measure of economic confidence among supply managers. The November inventory index rose to 52.7 from October's 47.1. "After 13 straight months of trimming inventories, less than 10 percent of supply managers reported cuts in inventory levels for November," said Goss.

Other components of the November Business Conditions Index were new orders at 63.9, up from October's 61.7; production or sales at 58.9, up from 53.2; and delivery lead time at 51.9, up from 49.9.

The Institute for Supply



Mountain States Economy (continued)

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 eco-

nomics indicators of the Mountain States region. The Goss Institute assumed operation of the survey in August of 2008, working with NAPM-Utah (www.napmutah.org) and NAPM-Western Wyoming (<http://www.ism.ws/sites/westwyoming/index.htm>).

Colorado: For a second straight month, the state's leading economic indicator rose above 50.0. The November index, based upon a survey of supply managers in the state, climbed to 70.3 from 65.5 in October. Components of the overall index for November were new orders at 68.9, production or sales at 65.7, delivery lead time at 65.4, inven-

tories at 73.7, and employment at 77.7. "Over the past year, Colorado has lost 10.4 percent of its manufacturing jobs, or almost 15,000 of its manufacturing base. A weaker U.S. dollar, making Colorado goods cheaper abroad and a rebounding global economy will underpin the state's economy in the months ahead. Exports will be especially important for the state's computer and electronic component manufacturing sector. I expect the state to add jobs, albeit at a snail's pace, in the first quarter of 2010," reported Goss.

Utah: The state's Business Conditions Index, a leading economic indicator, strengthened for November. Based on the monthly survey of the

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Mountain States Economy (continued)

membership of NAPM-Utah (www.napmutah.org), the overall index rose to 55.0 from October's 50.9. Components of the overall index for November were new orders at 66.4, production or sales at 59.6, delivery lead time at 48.8, inventories at 52.0, and employment at 48.0. "Over the past year, Utah has lost 9.5 percent of its manufacturing employment, or almost 12,000 jobs. A weaker U.S. dollar and an expanding global economy will assist the Utah economy in the months ahead. Since the beginning of 2009, the U.S. dollar has declined by more than 12 percent against Utah's most important trading partner's currency, the British pound. This will assist the state economy over the next 3 to 6 months," said Goss.

Wyoming: After falling below growth neutral for eleven consecutive months, the state's leading economic indicator climbed above 50.0 for November. The Wyoming Business Conditions Index for November advanced to 53.7 from October's 47.5. Supported by NAPM-Western Wyoming (<http://www.ism.ws/sites/westwyoming/index.htm>), surveys over the past several months indicate that the state's economic negatives are getting less negative. Components of the overall index for November were new orders at 50.0, production or sales at 53.7, delivery lead time at 67.2, inventories at 53.0, and employment at 45.0. "Over the past year, Wyoming has lost more than 20 percent of its mining employment, or 6,000 jobs, due to the global recession and a significant improvement in productivity. Wyoming producers have been able to obtain more and more output from fewer and fewer workers. I expect this trend to be reversed in early 2010 as the state halts job losses," said Goss.

For historical data and forecasts, visit our website at:

www.ernestgoss.com or
www.outlook-economic.com
www.twitter.com/erniegoss





Job Market news

Best and Worst Industries for Job Openings in 2010 Named by Borrell Associates

The interactive media and advertising research firm Borrell Associates has named the best and worst industries for job growth in 2010. Changes in job openings are spread unevenly across the major sectors but Transportation, Warehousing and Utilities will lead the industries with a 31.6percent job growth in 2010.

(PRWEB) November 24, 2009 -- The local online ad research, strategy and consulting firm of [Borrell Associates](#) has announced the best and worst industries for job openings in 2010 in conjunction with its new report,

"Recruitment Advertising Outlook 2010: A Jobless Recovery." Leading the list in job openings is the Transportation, Warehousing and Utilities industry with a forecast growth of 31.6 percent over 2009. At the bottom of the list is Financial Services, which will lose an estimated 12.1 percent of its job openings.

"Changes in job openings are spread unevenly across the major sectors," said Kip Cassino, vice president of research for Borrell Associates. "The landscape will be very different over the next few years and a full job recovery probably won't come until 2012."

Borrell Associates estimates that there will be seven job seekers for each one of the 2.9 million job openings projected for the U.S. this year. The report also forecasts that online ad spending for recruitment will increase slightly to \$5.7 billion in 2010 representing a 7.4% increase over 2009, but far from the \$6.7 billion spent in 2007. It won't be until 2012, when online advertising for jobs reaches \$7 billion, that a recovery will take place. "We have stepped up our



local job advertising reports and increased our sales training services for local media sites to capture this revenue due to the coming increases we forecast by 2012 and beyond," said Peter Conti, executive vice president of Borrell Associates.

An executive summary of the report, "Recruitment Advertising Outlook 2010: A Jobless Recovery," is available for free. The executive summary also includes the projected 2009 online recruitment spend for more than 900 local markets.

The annual recruitment report is based on Borrell Associates' U.S. Recruitment Data Table (Table J), which details local recruitment ad spending and local job openings. It is available for any definable market in the U.S. About Borrell Associates: The local ad strategy and consulting firm Borrell Associates is the leading provider of local advertising research, data and strategic analysis along with consulting and sales-training services. The company provides detailed market ad spending reports for hundreds of local interactive and traditional media companies, including local online ad spending, and customized reports for any U.S., Canadian or U.K. market and publishes annual online advertising reports and monthly analyses.

For more information, visit our [Web site](#). [PRWeb eBooks - Another online visibility tool from PRWeb](#). Borrell Associates' Local Online Advertising Conference (LOA '10) will be held Feb. 8-9 at the Grand Hyatt Hotel in New York. More than 20 top executives representing the top money-making local media Web sites will be making presentations. For information, go to the [conference Web site](#).



NAPM-UTAH Board

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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 Mary Louise Hughes at mlhughes@purchasing.utah.edu

VP Corner

Congratulations to all those who have been working to pass your test modules and earn your CPSM.

This is a critical time in our profession. It is becoming more important for all of us to qualify as Professional Supply Managers.

The work of studying and applying your experience will be worth the effort. Keep up the good work.

The Christmas party at Desert Star was great. It was a fun evening. I did learn the pizza looked a lot better than the chicken fingers. I hope it tasted better also.

Happy New Year to all of you, see you in our meetings in 2010.

Keep up with current events by going to www.napmutah.org.



David Stokes, C.P.M.
NAPM-Utah Vice President





Utah County News

Strategic Cost Management---Getting Senior Management Approval

What is so important is getting Senior Management approval for cost management. How can you obtain the needed support for your efforts? Each company is going to be different. I would like to share with you a few examples of how I have garnered Senior Management support for my efforts. With one company, we had departments purchasing goods and services without coming through the Purchasing Department. In our analysis we found that we were paying more than 30% over our contracted pricing. We focused our attention on a couple of different departments, put together a RFI for several of the products that we knew were higher than our contracted costs, and put together a presentation. The argument used by the departments was that the suppliers were also customers of the company and so we “needed to do business with them”. Through the RFI we were able to demonstrate that this customer’s special pricing to us was over 30% higher than other competitors. We made an appointment with the President and CEO, and presented our findings. The result was that we were able to gain control of all purchases, and through the RFP process the Purchasing Department was able to save the company over \$3,500,000 over the next 3 years. The President issued a company-wide statement that ALL purchases were to go through the Purchasing Department.

In another company, one department was having trouble meeting their budget. Serving on a committee with the department head, I offered the Purchasing Department’s expertise to help the department head meet his budget. After several discussions, we identified several opportunities for RFP’s, we sent the RFP’s out and submitted the results to the department head. What we found was that the “good friend” of someone in the department was charging 20% more than a very viable competitor was offering. We found that in the RFP’s sent out that their current suppliers were higher than legitimate competitors were proposing. We were able to bring those projects in under budget. This department head then shared with other heads the great savings we demonstrated for them, and we were able to get the Senior Management support in other departments.

The key is to just seek the opportunity to show what you can do. Work with the other department heads as often as you can. Meet with them, ask for one opportunity where you know you can be successful, and when you have the results from that opportunity, don not hesitate to share it with other departments. Have the department document the savings, and ask for a “reference letter” of your success. It is great if you can have the President, CFO or CEO support your efforts, never be afraid to ask for their support. Remember the impact your savings has upon the bottom line.

Steve Mastin, C.P.M.
NAPM-Utah
Utah County Coordinator



