



# National Association of Purchasing Management Northwest Indiana



## NEWSLETTER



[www.napmni.org](http://www.napmni.org)

November 2009

[www.ism.ws](http://www.ism.ws)

### 2009-2010 Calendar

#### **November 11 & 12 2009 Wednesday Thursday**

**C.P.M. Study Session- 18th**

**CPSM Study Session- 19th**

Dr. Russell Morey  
Valparaiso University  
Valparaiso, IN 46385

#### **November 11, 2009 Wednesday**

**Educational Meeting- Dr. Russell Morey**

Strongbow's Inn  
2405 E US 30  
Valparaiso, IN 46385

#### **December 4, 2009 Friday**

**Christmas Gala- Networking**

T. J. Maloney's (Holiday Star & Radisson Hotel)  
I-65 & US 30 800 E 81<sup>st</sup> Ave.  
Merrillville, IN 46410

#### **January 13, 2010 Wednesday**

**Joint Educational Meeting AWWI/NAPM-NI**

Center for Visual & Performing Arts  
1040 Ridge Road  
Munster, IN 46321

#### **March 17, 2010 Wednesday**

**Educational Meeting**

Professor Jonathan Furdek- tentative  
Caf'e Borgia  
10018 Calumet Ave  
Munster, IN 46321

#### **April 21, 2010 Wednesday**

**Plant Tour-**

Three Floyds Micro Brewery  
9750 Indiana Parkway  
Munster, IN 46321

**Educational Meeting**

Three Floyds Micro Brewery  
9750 Indiana Parkway  
Munster, IN 46321

#### **May 19, 2010 Wednesday**

**Educational Meeting- Election- Marty Harper Award**

T. J. Maloney's (Holiday Star & Radisson Hotel)  
I-65 & US 30 800 E 81<sup>st</sup> Ave.  
Merrillville, IN 46410

#### **2009-2010 NAPM-NI Officers & Board**

##### **President**

Doug Beal, C.P.M.

##### **1<sup>st</sup> VP**

Pam D. Hale, C.P.M.

##### **2<sup>nd</sup> VP**

Skip Smith, C.P.M.

##### **Treasurer**

Donna Meeks, C.P.M., A.P.P.

##### **Secretary**

Skip Smith, C.P.M.

##### **Communications & Newsletter Chair**

Timothy A. Timm, C.P.M., A.P.P.

##### **Membership Co-Chairs**

Sharon Duracz, C.P.M.,  
Eric Overcash

##### **International Chair**

Patty Grove, C.P.M., A.P.P.

##### **Professional Development Chair**

Debra Cavey

##### **Programs Co-Chairs**

Sharon Duracz, C.P.M.  
Debra Cavey

##### **Scholarship Golf Outing Chair**

Charlie Ward, C.P.M.

**DON'T FORGET!!!!!!!!!!!!!!!!!!!!!!**

#### **November 11 & 12 2009 Wednesday Thursday**

**C.P.M. Study Session- 18th**

**CPSM Study Session- 19th**

Dr. Russell Morey  
Valparaiso University  
Valparaiso, IN 46385



## President's Pen

**Dear NAPM Members,**

I just wanted to remind everyone that we have a C.P.M. and CPSM seminar for November 11th and 12th... 8AM to 4PM both days. We also have a dinner meeting scheduled for November 11th, 5:30PM at Strong Bow in Valparaiso.

Hope to see you there!  
Doug Beal

### **OCTOBER PLANT TOUR NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT**

The October educational development tour took place at the Michigan City complex of the Northern Indiana Commuter Transportation District. Several of the Districts' officers spoke to the tour group. Mr. Victor Babin, Chief Engineering Officer gave a PowerPoint presentation detailing a brief history of the passenger railroad from its beginnings through several ownerships to its present operations.

Mr. Greg Yovich, Assistant Chief Mechanical Officer provided an overview of the Midlife Overhaul Shop. This shop has completely refurbished 45 electric multi-unit passenger cars and is not refurbishing the 10 non-motorized trailer cars in its fleet. The Mid-Life section ended by a tour of the new Bi-Level cars received by NICTD in March of this year.

Shop Foreman John Kleinmanns provide a guided tour of the running repair maintenance shop. This Shop has been in existence most of the 100 years that the railroad has been running. This shop has the capability of fixing any problem that arises from electrical repairs to heating to putting new wheels on axles at 90 tons of pressure.

We concluded our tour at the Operations Control Center. There Trainmaster Mike Westphal explained the heart of the operations. This is where the trains are controlled or dispatched. The Railroad is going through a change where all train movement is controlled by a computerized signaling system. It is state of the art and looks like a video game.

There was so much to see and so little time to see it in. It has been suggested that next year we take another look at this prize of Northwest Indiana.

### **Official numbers of new CPSM certifications**

| Number of CPSM®s |       |
|------------------|-------|
| August 31, 2009  | 1,103 |
| August 31, 2008  | 460   |

**ISM MEMBERSHIP as of September 1, 2009  
34,453**

### **IMPORTANT C.P.M. NEWS!!**

**The time is running out!!!!!!!!!!!!!!!**

Last day to **take** the C.P.M. exams:  
**December 31, 2009**

Last day C.P.M.'s may **take** Modules 3 & 4 for recertification:  
**December 31, 2009**

Last day to **apply** for C.P.M. designation:  
**December 31, 2013**

Last day to **register** for the C.P.M. to CPSM bridge exam:  
**December 31, 2013**

Last day to **take** CPSM bridge exam:  
**December 31, 2014**

### **Divulging Supplier Pricing**

More and more companies are creating and distributing ethical purchasing policies. It is becoming more of a priority. These ethical policies emphasize safety, legal and appropriate purchasing practices. Ethical purchasing entails more than obtaining and retaining the best pricing available for the highest quality products and services. It implies that preferred suppliers have high ethical standards and that purchasers strive to maintain confidentiality in terms of the pricing that is offered.

To help insure that ethical suppliers are selected in the procurement process, there are numerous resources available for use. As suppliers are being considered, a guide should be provided to each potential supplier that addresses how all business should be conducted. Adequate supplier information is needed, such as the supplier's unique qualifications, references, company structure, products/services offered etc. Not only should

expectations of the supplier be addressed but the purchaser should inform the supplier of his company's code of ethics and standard procurement procedure, as well as any other applicable background information.

Confidentiality is of particular importance and should be discussed thoroughly as expectations are initially being established by both the supplier and the purchasing organization. Things such as each organization's structure, plans, products and pricing should be guarded. When the supplier sells to one of the purchaser's competitors this is even more essential. Even the very fact that your company purchases from them should not be disclosed. If salespeople are informed about their market, they already know who their biggest competition is.

The supplier must also be assured that information will not be disclosed to their competitors. Pricing should never be offered by the purchasing professional in an effort to help a competing supplier match pricing. If factors such as quality, delivery requirements and freight costs are comparable, the supplier with the lowest pricing will be awarded the business. If suppliers ask for more specific information about pricing and why they were not awarded the business, simply state that their pricing was high. Do not provide more information. It is the supplier's responsibility to provide competitive pricing. If you obtain an adequate amount of bids (never less than three), you are doing your part to receive the most competitive pricing for your company. Stress to the supplier that your company is interested in the total cost, not just the total price and that all elements of the procurement will be examined objectively. Purchasing professionals would not be fulfilling their responsibilities to their employer if they did not do their best to ensure the best total cost, but lying about pricing in an attempt to lower a supplier's pricing is contemptible as well as unethical. If the supplier questions the buyer's deceptions, the buyer may be found guilty of a violation of antitrust. If you are to build and maintain a good relationship with suppliers, be careful to not divulge which suppliers you asked to bid or who submitted bids. Better negotiation will be possible and rapport will be established, resulting in beneficial gains for both parties. Another reason it is to your advantage to keep pricing confidential is because if a supplier knows what your lowest bid is, they may match it, but they will most likely resist reducing the pricing further. It is in their best interest to sell the products/services for the highest price possible. If you let the supplier know that they are high, they may resubmit pricing that was even lower than the previously lowest bidder. Information is bargaining power.

Internally, refrain from letting staff be privy to costs except for accounts payable and other personnel who need to know. Only authorized purchasing agents should be allowed to discuss pricing with suppliers. If purchasers have requested a sufficient amount of bids, use value analysis and wisely negotiate, they are doing their part to receive the most competitive pricing.

In summary, purchasers are able to acquire competitive pricing while maintaining high ethical standards. Ethical purchasing consists of many facets. Purchasing professionals must utilize suppliers that share their ethical practices and standards. By protecting supplier's confidential information, such as pricing, business relationships between suppliers and purchasing organizations can be preserved and maximized.

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**November 11, 12 will be our 2 day  
C.P.M., CPSM Seminar with Dr.  
Russell Morey at Valparaiso  
University. Please make plans to  
attend this presentation. There is  
NO COST except for food for  
NAPM-NI members!**

**Dr. Morey will also be presenting  
at our Educational Meeting  
November 11!**

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## **IMPORTANT ISM BY-LAW PROPOSAL**

The ISM Board of Directors voted to include a bylaw revision on the ballot for the upcoming January 2010 membership vote. The revision is to expand the definition of membership in ISM to include anyone interested in ISM. The Board's decision resulted from lengthy discussion at both its May and August 2009 meetings (minutes available at <http://www.ism.ws/about/content.cfm?ItemNumber=8811&navItemNumber=13030>; Appendix E of the August meeting is available at <http://www.ism.ws/files/secure/index.cfm?FileID=119783>).

The rationale and specific wording that legal counsel has now approved to ensure compliance with the State of New York not-for-profit corporation law is below.

This notification is to also make you aware that Purchasing Magazine has discovered the proposed change to the ISM Bylaws and is actively reaching out to affiliates for interviews.

The ISM Bylaws are available at <http://www.ism.ws/ISMMembership/BylawsISM.cfm>.

1. Proposal to Amend the Bylaws to Modify ISM Membership Criteria

The Board recommends the modification of Regular Membership criteria to allow any person interested in the supply management field to be a Regular Member of an Affiliated Association provided that person does not solicit business on behalf of such person or his or her employer during meetings of any ISM activity. This modification would remove the current restriction on persons who are primarily engaged in sales activity. Such a change would automatically also modify the criteria for a Direct Member, as stated in Article II, Section 2 of the Bylaws.

The field of supply management has undergone significant changes during recent years. Increasingly, ISM members are engaged in a wide variety of business activities during their careers. ISM members frequently participate in cross-functional teams within their own organizations and on teams comprised of one or more suppliers in order to improve the overall effectiveness of their organizations. Indeed, supply managers often work side-by-side with business development professionals in order to serve their employers' goals.

Many ISM members work for small or medium-sized organizations, and these members have traditionally served in multiple and varied roles simultaneously for their employers, including sales and sales support. Small organizations simply do not have the luxury of creating boundaries for their key employees, particularly in today's competitive market.

Early in their careers, supply management professionals often participate in job-rotation or other professional-skill enhancement programs that require them to move throughout the key functional areas of their organizations, including marketing, sales or other business-development roles. Other supply management professionals find that an advantageous career opportunity presents itself through movement into sales. Or, particularly in tough economic times, supply management professionals may simply find that they can best leverage their skills and abilities to find employment in the sales profession. Many of these individuals may desire to remain active with ISM in order to continue their professional development and to keep them prepared for future re-entry into the supply management profession. Some sales professionals may simply wish to belong to ISM in order to better understand supply management, in order to improve their own professional skills.

The ISM Board strongly advocates and stresses the continued restriction on using ISM membership as a method of active solicitation or sales. Affiliates, Groups and Forums would be able to rightly enforce all restrictions on such activities. It should be noted that some Affiliates currently allow participation by those in the sales profession.

ISM's mission is to Lead Supply Management. By removing this restriction for membership, we can increase the influence and impact of Institute for Supply Management™.

The Board recommends a vote "For" adoption of this proposed amendment to the Bylaws.

Proposed Bylaw Amendment

ARTICLE III, Affiliated Association, Section 4. Regular Members is hereby amended in its entirety to read as follows: Any person interested in the supply management field shall be eligible to be a Regular Member of an Affiliated Association provided that such person does not solicit business on behalf of such person or his or her employer during meetings of any ISM activity, including without limitation, meetings of Affiliated Associations (including chapters), ISM Committees and ISM groups and forums (as defined in Policy).

**VOTE WILL BE ON THE  
JANUARY ISM BALLOT**

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*As we approach the Holiday Season and the end of another year, please take some time and reflect, giving thanks for those around you and all that you have. Although there is much adversity in our lives, life could be much worse. Enjoy your holidays!*

**Don't Miss Out!**

**Free Seminar for  
NAPM-NI members!**

**November 11 & 12, 2009**

**NAPM – Northwest Indiana  
Proudly Presents  
Dr. Russell Morey, C.P.M.**

**Free Seminar for  
NAPM-NI members!**

**Crusader Room  
Valparaiso University**

**Day 1  
C.P.M. Review  
(Summary of Modules 1, 2, 3, 4)**

**Day 2  
C.P.S.M. Bridge Review**

Dr. Russell Morey is Professor Emeritus of Supply Chain Management at Western Illinois University. He is currently the Present of Morey and Associates, an industrial training organization, and has conducted many training programs for more than 25 Fortune 500 corporations in North America and Europe. He has published numerous articles and cases and has given presentations at various regional, national, and international conferences. Dr. Morey has received more than 100 awards and certificates of achievement for his contributions to education and the purchasing profession. He was also a contributing author of an Introduction to Management textbook.

**DON'T MISS OUT!! MARK YOUR CALENDAR!! PLAN NOW TO ATTEND!!**

**If you are an NAPM-NI member, cost is \$35 for meals for both days.**

**If you are an ISM member from another affiliate, cost is \$50 per day (\$100 total)**

**Plus \$35 for meals for both days.**

**If you are not an ISM member, your cost is \$75 per day (\$150 total)**

**Plus \$35 for meals for both days.**

*(Cut along dotted line and return with payment)*

|               |   |  |
|---------------|---|--|
| Location:     | Crusader Room<br>Valparaiso University Harre Union,<br>Ballroom A (Second Floor)<br>1400 Chapel Drive<br>Valparaiso, IN 46383                               | For additional information contact:<br>Debra Cavey, Pro-D Chair<br>Email: <a href="mailto:debra.cavey@ChicagoBooth.edu">debra.cavey@ChicagoBooth.edu</a> |
| Date & Times: | November 11 & 12, 2009<br>8:00 a.m. to 4:00 p.m. each day   |  |
| Meals Cost:   | \$35.00 – includes continental breakfast<br>and lunch for both days<br><b>A non-refundable payment must be<br/>received no later than October 31, 2009.</b> | Please send your reservation and check payable to:<br>Donna Meeks, Treasurer<br>NAPM-Northwest Indiana<br>PO Box 1048<br>Chesterton, IN 46304            |

**Name & ISM Number**

**Company**

**Address**

**City, State, Zip Code**

**Phone**

**E-Mail**