

ISM Buy Line

Newsletter of ISM - Spokane, Inc.

ISM - Spokane, Inc. 808 W. Spokane Falls Blvd., Spokane, WA 99201 www.ismspokane.org May 2016

May 19, Educational Luncheon Program Purchase Order and Contract Writing; Language Tips & Suggestions Presented by Michael Taylor, C.P.M.



Please plan to join us on Thursday, May 19 at the McCarthy Athletic Center's clubhouse, under the south side of the gymnasium, on the Gonzaga University campus. This month's luncheon program will be held in conjunction with the day long seminar presented by a favorite speaker and educator, Mike Taylor.

It's our job to prepare and issue purchase orders, contracts, amendments, notices, direction and all sort of correspondence to our suppliers. If we do a poor writing job, it could result in performance delays, extra charges and in the worst case, end up in a legal contract dispute. This luncheon presentation will provide suggested improvements in language, style and content. We will discuss some of the potential pitfalls in communicating with contractors and talk about the legal issues which can arise from careless correspondence.

Mike is presently retired after finishing his career as a Supply Chain Specialist for the CH2M Hill Plateau Remediation Company at the Department of Energy Hanford Site. He was responsible for procurement policies, professional and technical training, purchasing ADP systems, procedures and electronic records. Mike has been a leader in increased internet and electronic tools usage by the department since 1994.

Mike will also be conducting a one day workshop in the same venue that morning and afternoon on Cost Analysis and Long-term Contract Negotiations. All presentations promise to be timely and informative. Please see the One-Day Seminar flyer in this issue. If you are attending the workshop, the cost of the luncheon is included in the workshop fee.

ISM-Spokane Luncheon Meeting Thursday, May 19, 2016

(Note: This is not our regular Tuesday meeting day)

LOCATION

Gonzaga Univ. McCarthy Athletic Center
Herak Room
801 N Cincinnati Street
Spokane, WA 99258



AGENDA

11:30 – 11:45am Registration & Networking
11:45am – Noon Business Meeting
Noon – 12:30pm Lunch
12:30 – 1:15pm Education Program

MENU:

Chicken Picata
Herbed Orzo
Mixed Vegetable Medley
Green Salad w/Thyme Vinaigrette
Lemon Bars
Ice Tea

COST: \$15.00

IMPORTANT: Please RSVP by May 13 to Megan Self at self@gonzaga.edu or phone at (509) 313-5671. Our meals are catered and we are charged for all no-shows, so they will be billed to the member.

PARKING: Parking at the McCarthy Center is located one block north of Spokane Falls Blvd., on Cincinnati Street. Use the area marked "G". A campus map can be viewed at <http://www.gonzaga.edu/About/campus-map.asp>.

Please remember to use your Gonzaga Parking Pass. Megan Self will send a parking pass to each person who sends an RSVP.

President's Message



By Nate Thompson, CPSM

Hello fellow ISM members. I came across an interesting and interesting article regarding the integration of robotics into material handling. Technavio, a market research giant, has released a massive study focusing on the impact of robotics and the growing rate of integration projected over the next four years. While

Technavio concluded that nearly all industries on a global level will be impacted by this anticipated robotic surge, they predict the largest affect coming to the following industries.

- 1. Automobile Industry** – While the auto industry has been integrated with assembly line robotics for decades, it has only recently begun to shift its labor intensive material handling process to autonomous machines. The material handling robotics market in the automotive industry is expected to exceed \$6 billion by 2019, growing at a compound annual growth rate (CAGR) of almost 9%. The primary driver for the shift...bulk payloads exceeding manual capabilities.
- 2. Chemical Industry** – Labor disputes over hazardous material handling procedures is driving the increase in automated material handling. The robotics market is expected to exceed \$3.4 billion by 2019...a smaller market than automotive, but still a 9% CAGR.
- 3. Electronics Industry** – As miniaturization continues to trend in the electronics industry, there is an increased need for maintaining high throughput and quality, which in turn requires less handling time. Typical products in this industry are fragile and difficult to grip, as such, robot manufacturers are releasing high tech vision-guided intelligent robots specifically designed for this industry. Prediction...\$2.5 billion by 2019 at a CAGR just over 8%.
- 4. Food & Beverage Industry** – A latecomer into the material handling robotic industry, it is expected the food & beverage industry will grow at a CAGR of 11%! So why the large jump all of a sudden? Short answer – contamination. As more and more countries come up to speed on food safety standards, there is a surge in demand for automated processes that can move from farm to consumption in a timely and contamination free manner.

So what does this mean for supply chain? Increased efficiencies and hopefully, lower costs. Based on estimates out of TraPac (LA Port) the integration of robotics into material handling can reduce the amount of time ships sit in port by improving productivity nearly 30%. Bitter sweet considering this can reduce the need for

longshore labor by as much as 50%. Purely speculation on my part but it seems like a fantastic coincidence that the integration of material handling robotics has begun to skyrocket no more than a year after the longshoreman labor dispute of 2015. Regardless of the cause, it would seem the growth, across all industries, is inevitable.

Membership



By Benjamin Hatch,
C.P.M., CPSM

What is the CPSD designation, and what can it do for me?

Almost everyone in our group has heard of the Certified Professional in Supplier Diversity (CPSD), but not many of us have

actually taken it. For those of you that work in organizations that function almost entirely in the commercial world there may be little push to embrace a supplier diversity program. For those of you that work with government or military contracts diversity is a very big deal.

I thought it might be interesting to try and get a handle on the parts of the CPSD and what they could mean for you and your organization, not matter what type of company you work for. The main goal of ISM's CPSD body of knowledge is to ensure that that purchasing practitioner has a well-rounded understanding of the following items:

1. Implementation of short and long term supplier diversity programs.
2. Integrate supplier diversity programs with other corporate initiatives.
3. Consult and advise senior management on development and implementation of diversity programs.
4. Consult and advise other stakeholders on development and implementation of diversity programs.
5. Integrate supplier diversity into the organization's overall mission and strategy.
6. Develop and manage relationships with internal teams.

For more information, please visit ISM's website at the following address: <https://www.instituteforsupplymanagement.org/certification/content.cfm?ItemNumber=30150&navItemNumber=30182>

Trustee Time



By *Connie Wahl, C.P.M., CPPB*

Does your Procurement office have a cross-training program? Procurement groups and businesses in general are trying to do more with less. The result is lack of staffing and less backup support for daily operations. The workload also means projects that are not on fire drop to

the bottom of the pile. Taking the time to cross-train is often one of those projects set aside. Unfortunately, all it takes is one employee illness or accident to throw a business into crisis. Your Procurement office needs to have at least one person that is able to easily step into another employee's position. I recently ran across an article about cross training by Chris Cancialosi on Forbes www.forbes.com. I have included below some excerpts from that article that include four tips for successful cross-training.

Four Tips for Successful Cross-Training

To avoid derailing your organization every time one of your key players is absent, follow these tips for implementing a cross-training initiative:

1. Create a culture of collective success. For some employees, being indispensable is a point of pride. Make it clear that your organization values people's ability to support each other and that single points of failure are a company-wide weakness. Show employees that their capacity to help their co-workers in times of need will benefit them when they need additional support
2. Set formal expectations. Require employees to have at least one person who can step into their role at a moment's notice. Make it mandatory, give clear instructions, and provide time for people to cross-train effectively.
3. Test your success. Run simulations to ensure cross-training meets your expectations. See if a key employee can go away on vacation with absolutely no team contact, or commit that employee to another project and make sure he isn't pulled in to help the person performing his role. If someone is able to step in in this person's absence, you're covered.
4. Develop a feedback mechanism. Give employees an opportunity to give you feedback on the impact of cross-training activities, and use this information to continuously improve your efforts.

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Although cross-training may result in some short-term loss in productivity, it's a small price to pay for long-term risk mitigation and increased efficiency. Think of cross-training as insurance against the inevitable.

No matter how great your organization is, there will be times when employees are sick, are on vacation, or leave to pursue other opportunities. When that happens, it's your duty to make sure your team is prepared.

10 TIPS

STEP-BY-STEP SOLUTIONS



Getting the Most from Professional Associations

Membership in a supply chain or logistics association can be significant to your professional development. Actively participating helps advance career growth and offers continuous learning. Dino Moler, executive vice president of client solutions for third-party logistics provider LeSaint Logistics, member of several logistics and supply chain organizations, and president of the board of directors for the Transportation Marketing and Sales Association, offers the following advice to get the most from association memberships.

1 Learn everywhere. Learning opportunities include conferences, webcasts, best practices, and workshops. Learning from members offers another great opportunity. Listen closely to members' varied perspectives, experiences, successes, and failures.

2 Teach others. What do you do extraordinarily well? Do you succeed with social media or know a way to bring customers value, save them money, and still make a profit? Association members would benefit by learning new ideas and solutions from you.

3 Share experiences. If you would rather not teach, or you dislike public speaking, you can still share your experiences with others one-on-one or in small groups. Professional associations, even though many times composed of competitors, foster a spirit of sharing.

4 Network regularly. Membership offers opportunities to build and nurture relationships. You can get to know people from all facets of the supply chain sector including members, vendors, partners, event speakers, and the media. This network is helpful when you need to hire someone great or if you are looking for a career change.

5 Develop a trusted group of peers. This goes beyond basic networking. Developing career-long relationships with people you can trust helps when you're facing a logistics challenge or need to share some new ideas confidentially.

6 Get involved. Professional associations offer plenty of opportunities to volunteer, participate in events, work on committees, or even join the board of directors. Most associations are volunteered so your participation is essential.

7 Encourage others to join. Help your association grow by encouraging others to join and vendor partners to participate and support it. It is everyone's responsibility to help the association thrive.

8 Mentor members. Are you an influential industry leader? Many people in your association are new in their roles or new to the industry, and they need you to help them become successful. Are you young or new to the logistics sector? Find people you admire and learn from them. You can return the favor later in your career.

9 Embrace change. Step up and help your association make positive changes if the agenda starts to drift from the core. Conversely, don't be opposed to change suggested by others just because it's different than the way you did things in the past. Healthy associations evolve.

10 Enjoy events. Most associations plan social events throughout the year. Go ahead and enjoy. It's good for your state of mind. There is plenty of work to do in any volunteer group so don't feel guilty when it's time to kick back and have some fun. ■



2016 Pacific Northwest Purchasing Conference and Affiliate Leadership Workshop

**October 17 – 19, 2016
Seattle, WA**

Supply management – don't just practice it, master it!

Monday, October 17, 2016:

Half day Affiliate Leadership
Workshop



Tuesday, October 18, 2016:

Full day Conference



Wednesday, October 19, 2016:

Half day Conference and
Boeing Plant Tour



For more information contact:

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