
**January 13, 2004 Dinner Meeting
At The Vernon Manor
400 Oak Street**

Bring your Boss to the economic review and forecast on Managers Night – January 13th

In January, our regular meeting will be Manager's Night. We will feature speakers who will address the current and future state of the economy – regionally and nationally. You can count on this meeting to be one of the highlight programs this year!

The Forum

On January 13th, we will feature a presentation at the 5:30 Forum by Charles R. Crain, professor of management in the Richard T. Farmer School of Business at Miami University on “Interpreting Economic Data – On The Job”. Professor Crain will discuss the Business cycle and how it relates to the procurement function and how it's stages can change your job. He will share with us the important pieces of data in the monthly ISM Report on Business. Dr. Crain will also discuss the NAPM-C Report on Business and how this data relates to our companies and industries.

Dr. Crain teaches graduate and undergraduate courses in operations management, industrial purchasing, and strategic management. He has served as a consultant for a variety of manufacturing and service organizations throughout the Midwest. Professor Crain has been a 20-year member of NAPM-C and has served our affiliate in numerous positions over the years.

The Dinner Program

Our Dinner Program will focus on "*Economic Forecast: 2004*", featuring Richard Stevie and George Vredeveld. Dick and George, leaders in the regional economic community, have made highly-rated economic review and forecast presentations to NAPM-C the past four years, and this year they will again offer their observations and expectations about the local, national and international economic environments in which we must work as purchasing professionals.

Richard Stevie has been General Manager of the Market Analysis Department of Cinergy Corp. since 1996. In this capacity Dick is responsible for forecasting, market research, load research, and energy efficiency program design. Before the merger of PSI Energy and the Cincinnati Gas & Electric Co., he was Senior Economist for CG&E, responsible for gas and electric load forecasts.

Dick serves as Chair of the Economic Advisory Committee for the Greater Cincinnati Chamber of Commerce and is a member of the Cincinnati Enquirer's Board of Economists.

Prior to joining CG&E, Dick was Director of Economic Research for the North Carolina Utilities Commission and economist for the United States Environmental Protection Agency. He was awarded a B. A. degree in economics from Thomas More College, and M.A. and Ph.D. degrees in economics from the University of Cincinnati.

George Vredeveld is a Professor of Economics at the University of Cincinnati and Director of its Center for Economic Education.

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The Center's Schools Division provides training for teachers and curriculum consultation for

area schools. The Center's Economics Research Group conducts economic and demographic studies and provides data and analysis for business and public organizations. Prof. Vredevelde's recent research has focused on factors that affect regional economic development, including education and the quality of the labor market. He has directed studies on the linkage of downtown to the suburbs in Cincinnati, demand for graduates of our schools, labor markets in our region, and the role of education in meeting the needs of industry.

George received his B.A. degree from Calvin College, a Masters degree from Purdue University, and his Ph.D. in economics from Indiana University.

You won't want to miss these programs, and neither will your boss. Save this evening on your schedule, and invite your manager now!

Question of the month:

What percentage of product cost and quality is determined during the product design phase?

- A, 10%
- B, 20%
- C, 50%
- D, 80%

Answer on page # 3

NAPM-C Dinner Meeting

January 13, 2004

5:30 p.m. Forum: Part #1 "Interpreting Economic Data – On The Job". **By** Charles R. Crain, professor of management in the Richard T. Farmer School of Business at Miami University.

6:45 p.m.: Dinner Begins

7:30 p.m. After Dinner: Part #"*Economic Forecast: 2004*", featuring Richard Stevie General Manager of the Market Analysis Department of Cinergy Corp. And George Vredevelde, professor at UC

Please call 752-6440 before January 12th or E-Mail John Wenderfer at JWENDERF@STELIZABETH.COM to make your reservation!



WELCOME

Please join us in welcoming the following New Members since the November 2003 Newsletter publication!

Enroll Date	Name	Company
11/1/03	James P. Patterson	DHL Worldwide Express
11/1/03	Thomas F. Heil	Hill Rom
12/1/03	David A. Stifel	General Cable

ANSWER TO QUESTION OF THE MONTH:

ANSWER is: "D"

It is generally agreed that 80% of a product's cost and quality is determined during the product design phase.



Mark Thiem being sworn in by Wren Hamson, our NAPM-C President at the November, 2003 meeting.



John Martini, our Education Director at the November meeting

ISM SATELLITE SEMINARS FOR

2004 PROGRAM YEAR

Each of these four-hour programs is worth 4 ISM Continuing Education Hours for C.P.M. recertification or A.P.P. reaccreditation. Preliminary information on the programs planned for 2004 is as follows:

"Logistics in Supply Management"

Thursday, February 5, 2004

Logistics is a key component of the total cost of materials, as well as a major area for potential cost reductions. A firm grasp of logistics techniques, terminology, and resources gives supply professionals a strategic advantage in managing the flow of products and services. This program examines how transportation, warehousing, handling, and information systems are integrated within the logistics field to deliver significant results.

"Controlling Costs by Controlling Your Inventory"

Thursday, April 1, 2004

Recently published major purchasing and supply management textbooks estimate that an average company's inventory represents between 25 percent and 40 percent of its invested capital. Supply managers need to know how inventory impacts the bottomline and how reducing inventory costs frees up cash that can be used for business growth. This program is designed to provide tools and techniques for inventory management.

"Improving Your Role with Effective Project Management"

Thursday, June 10, 2004

Business success often is the reward for effective project management. Superior project management methodology lays the groundwork for smooth navigation through each project phase. This program will explore the necessary skill sets, essential steps, and helpful techniques to enable you to incorporate project management into your job and meet challenges you may encounter along the "project management highway"

TIPS FOR CREATING A ROADMAP FOR NEGOTIATING SOFTWARE AGREEMENTS.

Selecting an enterprise vendor not only means finding the right software and company, it also means negotiating the terms and conditions of the license and maintenance services to define the continuing relationship. Here are some tips to negotiate a software agreement.

1. Get a software attorney involved early on in the selection process.
2. Negotiate at the end of the vendor's sales quarter or the end of its fiscal year. Vendors are more willing to negotiate just before they close their books.
3. Negotiate the maintenance agreement during the selection process. All negotiations should occur during the selection process when the buyer has the most leverage.
4. Define and understand the scope of services provided by the vendor. At a minimum, a maintenance contract should provide bug fixes and corrections to any programming that doesn't produce as expected. Maintenance agreements can also include periodic enhancements or upgrades. Consider the anticipated lifetime of the software and have the contract guarantee a minimum period of time for support and maintenance.
5. Detail both the availability and the promptness of maintenance efforts. Define a schedule of necessary response times based on problem
6. Allow for a variable maintenance pricing plan based on business changes. Manufacturers should also ensure that they can maintain the pricing scheme if the software vendor changes the way it prices maintenance services in the future.
7. Negotiate an agreement to place the application's source code in escrow. When a software developer is no longer willing or able to maintain a software package, and escrow agent is empowered to turn over the developer's source code to the licensee. Typically, the licensee can trigger this condition based on the vendor's failure to provide the contracted service. Not on the company's dissolution.

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- 8, **Limit unilateral action.** Both parties need to be able to rely on the continued existence of the maintenance agreement. To help ensure the contract, the ability of each party to act unilaterally should be reasonably limited by the terms of the agreement.
- 9, **Understand buyers' rights.** In an era of mergers and acquisitions, it's important for manufacturers to consider limitations on its actions. For example, if a manufacturer merges or is acquired, can it transfer the maintenance agreement directly to the new entity or does the new entity have to renegotiate the maintenance contract with the vendor.

There are few guarantees when it comes to buying enterprise software like ERP applications. These are sophisticated products that typically require large investments in time, effort, and money. That time and money is best spent up front in evaluating product and vendors rather than later trying to get the wrong product to work as promised. If a company does its homework, the risk can be reduced.

Check out the latest edition of Supply Line 2055: Certification Update featuring the following subjects:

- * Certification Market Study
- * Inside Supply Management*
- * Members Save
- * Philip Morris U.S.A. C.P.M. Society
- * The 89th Annual International Supply Management Conference and Educational Exhibit
- * Career Center
- * FAQs

Simply go to <<http://www.ism.ws/Certification/Newsletter/index.cfm>>
<http://www.ism.ws/Certification/Newsletter/index.cfm> to view the latest, and past editions



Company Name: Abbott Laboratories
Contact Name: Ronald Fairrow
E-mail: ronald.fairrow@abbott.com

Position - Specific Information

Title: Buyer/Senior Buyer
Location: Country: U.S.A. State: OH City: Columbus
Salary Scale: \$ 0 - \$ 0 Negotiable
Position: Inspired to achieve.
Make a difference in your world.

At Abbott Laboratories you will find an environment that inspires a level of achievement seldom found in today's workplace. Come to Abbott and make a difference in your world. We have an exciting opportunity at our Columbus, OH location:

This professional will be responsible for supplier sourcing/management and the procurement of raw materials to support Abbott manufacturing facilities. In addition, you will develop purchase plans, negotiate commodity pricing, standard setting and prepare annual financial budget plans and updates.

Project management and financial skills, including PPV and cost savings analysis are crucial. Qualified candidate must be able to function effectively at various levels of the organization and with suppliers. Requires highly developed communication, organizational and multi-tasking skills, as well as the ability to work in a deadline/pressure intensive environment. General purchasing and/or material management experience is preferred. Bachelor's degree in Materials Management, Operations, Finance or Business is also preferred, as is CPM Certification. Relocation assistance will not be provided.

Follow your aspirations to Abbott for diverse opportunities, competitive salaries, great benefits, a 401(k) retirement savings plan, a company paid pension plan and profit sharing, all with a company providing the growth and strength to build your future. For immediate consideration, please forward resume to ronald.fairrow@abbott.com. An equal opportunity employer, Abbott is committed to employee diversity. No phone calls please.

YEAR AT A GLANCE



DECEMBER- 2003

1/13/04....Monthly NAPM-C Dinner Meeting. **5:30 p.m. forum** – “Interpreting Economic Data – On The Job”. **By** Charles R. Crain, professor of management in the Richard T. Farmer School of Business at Miami University.

7:30 p.m. After Dinner: . “*Economic Forecast: 2004*”, featuring Richard Stevie General Manager of the Market Analysis Department of Cinergy Corp. And George Vredeveld, professor at UC.

FEBRUARY 2004.....02/10/04.....To be announced

MARCH 2004.....03/09/04

APRIL 2004.....04/13/04

MAY 2004.....05/11/04

JUNE 2004.....06/08/04

JULY—AUGUST SUMMER BREAK

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