



CENTRAL FLORIDA BUYLINES

Newsletter of the ISM - Central Florida Affiliate
Summer 2010

Upcoming Events at a Glance

MEMBERSHIP MEETING: August 11 – “Principles of Leadership” – Registration at 6:00 p.m., Meeting at 6:30 p.m., Dubsdread Country Club.

CPSM REVIEW–EXAM 1: August 21 – 8:00 a.m. to 5:00 p.m., OUC at 3800 Gardenia Ave., Orlando.

CPSM REVIEW–EXAM 2: August 28 – 8:00 a.m. to 5:00 p.m., OUC at 3800 Gardenia Ave., Orlando.

MEMBERSHIP MEETING: September, date to be determined – “Future of Supply Management and the Role It Must Play to Ensure Business Success” presented by Paul Novak, CPSM, C.P.M., A.P.P., MCIPS, ISM Chief Executive Officer. Registration at 6:00 p.m., Meeting at 6:30 p.m., Dubsdread Country Club.

CPSM BRIDGE REVIEW: September 18 - 8:00 a.m. to 5:00 p.m., OUC at 3800 Gardenia Ave., Orlando.

CPSM REVIEW–EXAM 3: September 25 – 8:00 a.m. to 5:00 p.m., OUC at 3800 Gardenia Ave., Orlando.

To register, go to www.ism-cf.org

August Membership Meeting

"Principles of Leadership" - Join us on August 11 at Dubsdread Country Club for dinner, an exceptional speaker and great networking.

We will explore the various aspects of Leadership; looking at principles and practices that can be deployed in our everyday lives. A quote by Henry Ford summarized the epitome of what leadership is about, "I am looking for a lot of men who have an infinite capacity to not know what can't be done." — Henry Ford.

As we exchange and understand the pitfalls of what makes a bad leader, we will understand the various aspects of what makes a good leader and dispel the rumors that leaders are born and not made. So if you are a leader, or wish to become one, join us on August 11 to explore the path of Leadership, Principles and Practices.

September Membership Meeting



"Future of Supply Management and the Role It Must Play to Ensure Business Success." - Exciting news for September!!! Paul Novak, CPSM, C.P.M., A.P.P., MCIPS, ISM's Chief Executive Officer, will be our guest speaker at the September Membership Meeting. The date of the meeting has not yet been confirmed, so keep an eye on the ISM-CF website and your email for further information.

Paul Novak, CPSM, C.P.M., A.P.P., MCIPS, has been with the Institute for Supply Management™ (ISM) since 1988 and led the institute in a major change in its governance, the implementation of a Board of Directors comprised of senior officers at major companies. Following this change, Novak led the organization in broadening its focus from purchasing into supply management.

The President's Corner

Greetings,



Economic and Employment Challenges

We know a great number of our members have been adversely affected by the economic downturn in our region. Many realize the importance of taking proactive steps to improve their position in the marketplace through keeping in touch with their peers and networking. Successful pairings of job seekers and employers happened in the past few months simply through connections made at our membership meetings.

Our underemployed and at risk members have discovered the excellent educational opportunities our meetings offer. This past year Michael Keaton, has brought to our podium top advisors of the region, and the nation, including Richard Rich, ISM's 2009 Person of the Year, Dr. Giunipero, Ph.D., professor at Florida State University, and Central Florida's own Frank Quiett, the internationally recognized author and consultant. Those attending have learned valuable insights and innovations to not only improve their job performance, but to raise the stature of our profession in their companies. I personally have taken Frank Quiett's challenge to focus on the supply management side of my job and have seen the tactical and transactional areas fall into place.

See the upcoming meeting announcements in this newsletter and on the website at www.ism-cf.org. The August and September presentations are well worth checking out.

Your Affiliate News

July 1 begins a new and exciting year for ISM-Central Florida. The newly elected Board of Directors officially takes office bringing new perspective and vision to our affiliate. The Board will hold their annual retreat in July, a full-day planning session where the affiliate goals and budget are determined for the 2010/2011 fiscal year.

One important goal has already been identified. Two months ago a Board member introduced the idea that ISM-Central Florida start working to achieve the Affiliate Excellence Award. There are over 50 qualifying questions on the application, many of which ISM-CF already meet. Some of the remaining qualifiers will be a challenge, but attainable with support and effort from our general membership. More on this in coming months...

Have a great summer.
See you at the August meeting!

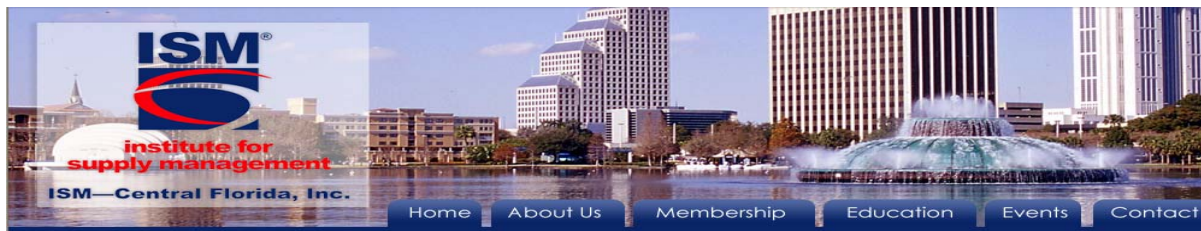
In your service,
Bette Hallmark, C.P.M.

President
pres@ism-cf.org

Check It Out

Check out our website for the latest on events, notices and information regarding our Affiliate...

www.ism-cf.org



Election of Officers

The Election of Officers was May 12 online and at the Annual Business Meeting. The following persons were installed as the 2010/2011 Board of Directors at the June 9 Membership Meeting. Please offer suggestions, ideas and recommendations to any Board member.

President - Bette Hallmark, C.P.M., pres@ism-cf.org

Vice President - Richard Straw, C.P.M., A.P.P., 1vp@ism-cf.org

Treasurer - John Morris, C.P.M., A.P.P., treas@ism-cf.org

Secretary - Teddi McCorkle, C.P.M., CPPB, sec@ism-cf.org

Director of Professional Development – Michael Keaton, CPSM, C.P.M., educ@ism-cf.org

Director of Membership – Lou Emma Cromity, C.P.M., memb@ism-cf.org

Director of Public Relations – David Billingsley, C.P.M., comm@ism-cf.org

Director of Communication – Ed Wainwright, C.P.M., A.P.P., dat@ism-cf.org

Pro Tem Member – Ron Carpenter, Chairperson, 2011 ISM International Conference, riconcorde@embarqmail.com



Scholarship Opportunity for ISM Public Seminar

<http://www.ism.ws/education/seminardetails.cfm?ItemNumber=20262>



ISM—Central Florida, Inc.

- | | |
|--------------------|--|
| Seminar | ISM Sustainability and Social Responsibility Seminar #4282 |
| Location | Disney's Yacht & Beach Club Resort
Lake Buena Vista, FL |
| Date | November 2 – 3, 2010 |
| Requirement | •Must be an affiliate member in good standing
•Complete application (email: ProD@ism-cf.org)
•Must be willing to assist Speaker with passing out information like the sign-in sheet and CEH certificates |
| Costs | Free (\$1,700 Value) |

Test Your CPSM Knowledge

Potential CPSM®s always ask, "How do I study for the CPSM® Exams?" One of the items highly recommended to have in your study arsenal is the [CPSM® Diagnostic Kit](#) or [CPSM® Bridge Exam Diagnostic Kit](#), if you are an active C.P.M. with a bachelor's degree. It is a sample exam with scoring and correct answers, including the justifications and references.

Here are three sample questions — and answers — from the CPSM® *Diagnostic Kit* to help you prepare to pursue your CPSM® certification. First, answer all three questions, then scroll down to the "3 Answers" section to find out how you fared. Make sure you check out the References to find out where to look for the answer explanation so you fully understand the concepts.

3 Questions

Question #1: When developing specifications, a buyer may consider information from which of the following?

- I. Suppliers
 - II. Industry Standards
 - III. Professional Organizations
 - IV. Competitors
-
- A. I and IV only
 - B. II and III only
 - C. I, II and III only
 - D. I, II, III and IV

Question #2: A home medical testing device includes a very sensitive sensor with a customized, easily readable display. This sensor is low-cost but high-risk because shortages could stop production at the buying organization's plant. In this situation, which term BEST describes the sensor?

- A. Bottleneck item
- B. Non-critical component
- C. Leverage buy
- D. Routine component

Question #3: Which of the following is an example of a mission statement for a supply management organization?

- A. "The supply management organization will ensure the right price for the right products or services at the right time, with required quality and supporting documentation."
- B. "The supply management organization will effectively manage supply management activities and supplier relationships to satisfy internal stakeholders of the company."
- C. "The supply management organization will ensure that all personnel perform their responsibilities in an efficient and effective manner."
- D. "The supply management organization will provide a minimum of \$200,000 of cost savings or cost avoidance during the upcoming fiscal year."

3 Answers

Question #1: Option D is correct because all four sources of information can be important to the supply management professional. Suppliers (I) provide not only specifications for current products (which can be compared to be sure specs are not unduly restrictive) but also advance looks at new products or technologies. Industry standards (II) are especially useful for common parts or materials or for those routinely tested by third-party services or labs. Professional organizations (III) offer resources such as training, examples of standard specifications, and networking among peers. Being aware of competitors' (IV) innovations, problems, and solutions can yield valuable perspective.

References: CPSM® *Study Guide*, 1st Edition (Book 1 — *Foundation of Supply Management*), pages 1-2; *ISM Professional Series* (Book 1 — *Foundation of Supply Management*), pages 114-115.

Question #2: Option A is correct because bottleneck items are low-value, high-risk products with customized specifications and/or technologies. To minimize supply interruptions, inventory levels are closely monitored and supply management may search for alternate suppliers. Non-critical or routine components (Options B & D) have little effect on the organization's profitability and competitiveness. They can be standardized, and substitution is feasible. Leverage buying (Option C) is used when items are low-risk and a large number of suppliers are available. The organization's volume can be leveraged to obtain lower prices.

Reference: CPSM® *Study Guide*, 1st Edition (Book 2 — *Effective Supply Management*), pages 8-9.

Question #3: Option B is correct because it addresses overarching purposes of the supply management function as they relate to the larger organization. Options A and C are strategies in support of the mission. Option D is incorrect because goal setting (such as specific savings targets) evolves from strategies.

References: CPSM® *Study Guide*, 1st Edition (Book 3 — *Leadership in Supply Management*), pages 1-4; *ISM Professional Series* (Book 3 — *Leadership in Supply Management*), pages 48-51; *Strategy: A View From The Top* (2nd Edition), pages 7-8; *Guide to Business Planning (The Economist Series)*, pages 27-29

For more information on the CPSM®, visit the Professional Credentials section of the ISM website.

See page 5 to learn how to better prepare for the CPSM exams!!



Get Ready!!! Get Ready!!! Get Ready!!!
ISM-CF will be facilitating
CPSM® Review Training

CPSM®s earn 13% more than those without the designation.



\$50.00 per exam ISM-CF Member

Challenge Yourself

New Dates

Make the move to gain supply management's most prestigious professional designation.

Saturdays

Exam 1

8/21

Exam 2

8/28

Exam 3

9/25

Bridge

Exam 9/18

\$100.00 per exam non-members



Challenge Yourself

Change and uncertainty surround us with economic volatility and career instability. To carve out a secure future, you need more knowledge, more experience and a jump on the competition. The Certified Professional in Supply Management® (CPSM®) from the Institute for Supply Management™ (ISM), the first and largest supply management association in the world, can give you the edge you need in this global marketplace.

Challenge yourself and make the move to gain supply management's most prestigious professional designation. The CPSM® sets high standards for your career and your organization.

The CPSM® is the professional credential that leads you into the decision-maker role compelling you to generate strategic solutions. You will have the capacity to effectively manage projects, whether you work in the non-manufacturing or manufacturing sector. The CPSM®'s emphasis on supply chain integration is what allows you to continually evolve in the rapidly changing arena that is supply management.

CPSM® Eligibility

- ◆ Three years of full-time, professional supply management experience — nonclerical, nonsupport
- ◆ Bachelor's degree from a regionally accredited institution or international equivalent
- ◆ Successfully pass three CPSM® Exams, OR, if you are a C.P.M. in good standing, pass the Bridge Exam (test centers located in more than 230 countries)
- ◆ Recertify every three years with 60 Continuing Education Hours (CEHs). For added convenience, ISM offers many online courses to earn CEHs.

Use These Resources to Study



CPSM® Study Guide

The CPSM® Study Guide provides information on test specifications, examples of the testing format and question styles. (Bridge Exam content is noted.)

USD \$59 members/USD \$89 nonmembers

Location
OUC—3800 Gardenia—Orlando, FL 32839

Visit our website for more information

www.ism-cf.org

Space is limited * Pre-Registration is required



institute for supply management

ISM—Central Florida, Inc.

Cycle Counting – What is that 95% Question? Part III of III

By: Michael I Keaton CPSM, C.P.M.
Professional Development Chair
ISM – Central Florida

I think we beat this inventory cycle count thing up rather well. Most of us can take tidbits from what has been talked about earlier. But the real question, that 95% question is still lingering. And to address that question, you have to understand your own individual organization's requirement – what is the end expectation? A service organization might not have as "stringent" requirements as a manufacturing organization or even a distributor. The point remains however that in order to answer that 95% question, you have to know the maturity level of your organization as it relates to managing inventory – which in its simplest form is the answer - an effective cycle count program.

In our last segment, we talked about all the ingredients that are needed to move your organization along the spectrum to become world-class.

Being world-class can be personal. Other organizations want to benchmark against you...you are setting new standards and defining the way a successful organization should run. You and your organization are leading and paving the way. A lot of us might want to ask the question – how was your journey and I can assure you that the response would be that it was very messy. The end result looks very good, but the journey itself was messy and often painful.



The path to world-class inventory management requires a fundamental commitment to your people, the processes they develop and the enabling technology that will be utilized to reach objectives. Your cycle count program will thus then become an effective tool used to report inventory effectiveness. As we look at the benefits of inventory effectiveness, we will see that it will be an integral component in establishing and sustaining your organization's competitive advantage – be it that you are first to market, or reduced lead times, or effective service by reacting to customer's requirements faster than the other guy. These are a few competitive advantages that can be fundamental in the "space" that your organization operates in.

At the end of the day, world-class inventory management should be positioned within your organization to be a vital competitive advantage in meeting both internal and external requirements.

For more information I can be reached at ProD@ism-cf.org or (407) 401-1203

"An investment in knowledge always pays the best interest" - Benjamin Franklin



Member Spotlight



In each newsletter, we will be “spotlighting” a member. Our spotlight now shines on **Michael Keaton**. Enjoy and hopefully you will learn something new about Michael.



Name and Nickname: Michael Irving Keaton. I never had a nickname other than during high school. People called me mikeaton thinking that was my first name. I finally figured that out when someone asked me what my last name was. I still get some Batman and Mr. Mom jokes every now and then.

Activity in Organizations/ISM: I've been a member of ISM/NAPM on and off for about 20 years, starting in Chicago as a member of NAPM. I've recently become active in the Central Florida affiliate and I am presently the Director of Professional Development.

Certifications: I hold a lifetime C.P.M. and recently received my CPSM. In my opinion being certified, regardless of profession/industry, is a testament to your career and professional dedication. I highly encourage it.

Place of employment and title, and/or past employment/experiences: I presently work for Mitsubishi Power Systems. I have spent pretty much my entire career in materials/operations related positions. It all began with the Air Force as a Logistics Specialist followed by the Cracker Jack factory in Illinois, OEM/Systems Integrator for Corrugating Box Plants, a tier one automotive supplier in Detroit, Ground Support Equipment for airlines here in Central Florida and now to Power Generation where I hope to remain.

Hobbies/Interests: I like reading, writing, and sports: golf, basketball, football, etc, the normal stuff. I also like finding those moments where you can spend quality time with family, loved ones and myself. My favorite sport teams are pretty much from Chicago but since moving to Central Florida, I can say that I show the Magic and the Gators a lot of love.

Tell us something about yourself that no one else may know about you: I've actually written a couple of stage plays and have had one performed to an “almost” sold-out crowd in Detroit, MI. This officially makes me a playwright I guess. The play was called, *Hold On, Don't Let Go* and it ran for about a week.

Seeking Spotlight Candidates

If you know of someone that would be a good “spotlight” candidate, please have them answer the following questions and email it to Teddi444@earthlink.net. The “spotlight” candidate can be YOU! This is an opportunity for all members to get to know their fellow members a little better, especially with the last question. We have a lot of talented and professional members.

SPOTLIGHT QUESTIONS:

1. *Name and Nickname*
2. *Place of employment and title, and/or past employment/experiences*
3. *Certifications*
4. *Education*
5. *Activity in Organizations/ISM*
6. *Hobby/Interests*
7. *Tell us something about yourself that no one else may know about you.*

Event Planner

Date	Topic	Type	Location	Name of Presenter
8/11/2010	Principle's of Leadership	Membership Meeting	Dubsdread Country Club	"Open"
8/21/2010	CPSM® Review - Module 1	CPSM Exam Review	OUC	Michael Keaton CPSM, C.P.M.
8/28/2010	CPSM® Review - Module 2	CPSM Exam Review	OUC	Michael Keaton CPSM, C.P.M.
TBD	Future of Supply Management & The Role it Must Play to Ensure Business Success	Membership Meeting	Dubsdread Country Club	Paul Novak, CPSM, CPM, APP, MCIPS
9/18/2010	CPSM® Review - Bridge Exam	CPSM Exam Review	OUC	Michael Keaton CPSM, C.P.M.
9/25/2010	CPSM® Review - Module 3	CPSM Exam Review	OUC	Michael Keaton CPSM, C.P.M.
10/1/2010	Project Management	Lunch and Learn Meeting	Logan's Road House	"Open"
10/13/2010	How not to become a victim of crime	Membership Meeting	Dubsdread Country Club	National Crimestop
11/1/2010	Satellite Seminar: Rails, Roads, Water & Air, Applying Lean Concepts	Seminar	OUC	N/A
11/2/2010	Sustainability and Social Responsibility for Supply Professionals	ISM Seminar Series	Orlando, FL	ISM Hosted
11/9/2010	Performance-Based Statements of Work (SOWs): Maximize Supplier Performance	ISM Seminar Series	Tampa, FL	ISM Hosted
11/10/2010	Procurement Strategies and Best Practices	Membership Meeting	Dubsdread Country Club	Gurpreet Singh
12/3/2010	Total Cost of Ownership	Lunch and Learn Meeting	Logan's Road House	Richard Grosso (ISM)

NEWSLETTER ITEMS

*Please send newsletter articles, announcements and news releases to
David Billingsley at: comm@ism-cf.org.*

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