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The Purchasing Pipeline

February 2012

REVERSE LOGISTICS: LESSONS FROM THE TRENCHES

We welcome Dr. Stefan E. Genchev, Ph.D. to our monthly meeting scheduled on February 21, 2012 (Tuesday), 6:00 p.m. at the Hometown Buffet to talk about Reverse Logistics.

His impressive education, experience and background include, but not limited to, the following:

EDUCATION:

Ph.D. - 2007 The University of Oklahoma, Norman, OK
Supply Chain Management and Marketing

M.B.A. 2002 The University of Oklahoma, Norman, OK
Major – Marketing; Minor – Finance

B.B.A. 1994 The University of National and Global Economy, Sofia, Bulgaria
Major – International Business

He has been appointed Assistant Professor in Marketing at UCO from Fall/2007 and teaches the following subjects: Foundations of Marketing; Marketing Research; Business Logistics; Supply Chain Management; Sports Marketing; Internships in Marketing.

Publications that he writes appear in the following journals: *Harvard Business Review*, *Business Horizons*, *International Journal of Physical Distribution & Logistics Management*, *International Journal of Logistics Management*, *Journal of Business Logistics*, *Industrial Marketing Management*, *Journal of Transportation Management*, and *Transportation Research Part E*.

Professional Association membership includes: American Marketing Association; Association of Collegiate Marketing Educators; Society for Marketing Advances; Council of Supply Chain Management Professionals; National Association of Purchasing Managers – Oklahoma City Chapter; University of Central Oklahoma Foundation

On a personal note, Stefan has been married to his wife since 1994. They have a 16-year old daughter born in Bulgaria and a 7-year old son born in Oklahoma City. As a loving father, Stefan enjoys playing soccer with his son and cooking barbecue with his daughter. He also enjoys fishing and travel back to Bulgaria every now and then to visit friends and relatives.





The President's Pen

Happy February N.A.P.M.-OKC Members,

It's happening again, the months are flying by. It seems time is moving so fast that once I finally got used to dating everything January 2012, it's already time to change again to February. The proverb rings true: The only constant is change.

Our speaker last month, Keith E. Trolinger, was very entertaining as he spoke to us about leadership. He really made me think about what kind of leader I wasn't to be and what kind of leaders I appreciate serving. I thought it was very clever how he related his information about leadership to the rodeo scene. The rodeo always reminds me of when I was a little girl. I loved going to the rodeo with my cousins, aunts, and uncles. I grew up in Edmond, so I wasn't around that very much. It was always so exciting!

We have a lot to look forward to. Our February meeting regarding Reverse Logistics will surely be very interesting. Our speaker, Stefan E. Genchev, is someone you will recognize as one of our active members. I look forward to hearing him talk.

March is Supply Chain Management Month with ISM. We will be celebrating our profession along with our parent organization. When we have that information, we will let everyone know. Be on the look out!

The Buyer Vendor Round Up is coming up on April 10th. Mark your calendar now. You won't want to miss it! Also please be thinking of what suppliers you would like to send a brochure to. We rely very much on our members to help us advertise for this event. Shortly you will be receiving a brochure. Please pass it around to all your vendors.

I hope to see you all at the February meeting on the third Tuesday of this month, February 21st.

Stefanie K. Jones

President

Office: (405) 935-1602

Mobile: (405) 301-7097

E-mail: Stefanie.Jones@chk.com

Membership Dues Increase

Unfortunately, it has become necessary to raise our membership dues. This change will take place after a vote of our members at the February 2012 meeting. New Member dues will be raised from \$285 to \$310. The change will take place for current members in January 2013. Renewal dues will be raised from \$250 to \$275. It has been several years since dues have been increased. We had to raise dues to keep up with an increase from ISM. The NAPM-OKC board believes we are continuing to offer a good value for dollars spent. Thank you for your continued support.

Be sure and mark your calendar for Tuesday, February 21 2012 for the monthly NAPM meeting at Hometown Buffet.

A Note from the VP...

Our January meeting was very informative with the presentation by Keith Trolinger who indicated that he had the opportunity to shake the hand of five presidents. His presentation on leadership using the rodeo as an analogy was very insightful and informative. He provided us with several styles of leaders and their attributes. Mr. Trolinger used many of his life experiences and the different roles he used with leadership skills.

Our Vendor Round-Up is scheduled for April 10th and will be held again at the Crown Plaza in North-west Oklahoma City. This event gives the Vendors an opportunity to meet and visit with our membership of suppliers who represent most major companies in Oklahoma City and the surrounding areas. We will also accept door prizes from any vendor who would like to provide a gift for this event. Registration forms for all vendors will be available in our newsletter and on our website at www.napm-okc.org. Please begin to encourage your suppliers to register for this event.

Volunteers are still needed as we establish our committees to help this event continue to be successful. If you are interested in volunteering or serving on a committee please contact me at: Jose35@cox.net.

ECONOMY GROWS 2.8% IN Q4

While this is the best GDP reading since Q2 2010, the initial estimate from the Bureau of Economic Analysis still disappointed the markets. Many economists and investors were looking for growth of 3.0% or better. The majority of the growth actually came from increased inventories. Consumer spending rose 2.0% last quarter, with auto sales being the biggest factor. Durable goods orders did see 3.0% growth in December, putting them 45% above the recession low hit in April 2009.^{1,2,3}

DIPS IN New & PENDING HOME SALES

The number of signed home sale contracts fell 3.5% in December, according to the National Association of Realtors. Separately, a Census Bureau report showed that new home sales declined 2.2% in December.^{4,5}

MARQUEE sentiment INDEX at 11-MONTH PEAK

The Thomson Reuters/University of Michigan consumer sentiment index ended January at 75.0. This was way up from December's 69.9 mark, and it beat the 74.1 reading forecast by economists surveyed by Reuters.^{6,7}

PRECIOUS METALS GAIN ALLURE

At Friday's COMEX close, gold was +10.56% YTD, copper +13.18% YTD and silver +21.05% YTD. Crude futures finished last week at \$99.56 per barrel on the NYMEX, putting oil merely at +0.74% YTD. (Retail gas prices were +3.67% for the month as of Friday.)²

A STRONG MONTH COMES TO A CLOSE

With just a couple of trading days left, January is shaping up to be the best month for U.S. equities since October (see the YTD numbers below). Across last week, the S&P 500 rose 0.07% to 1,316.33 and the NASDAQ gained 1.07% to 2,816.55; the Dow slipped 0.47% to fall to 12,660.46.¹

Citations.

1 - www.cnbc.com/id/46162429 [1/27/12]

2 - money.msn.com/market-news/post.aspx?post=6e802a2f-f50a-4ae4-948b-7bc9555ff5f6&_nwp=1 [1/27/12]

3 - www.npr.org/2012/01/26/145895744/durable-goods-orders-signal-business-investment [1/26/12]

4 - www.reuters.com/article/2012/01/25/us-usa-economy-idUSTRE7BMoAB20120125 [1/25/12]

5 - www.startribune.com/business/138174364.html [1/26/12]

6 - montoyaregistry.com/Financial-Market.aspx?financial-market=common-financial-mistakes-and-how-to-avoid-them&category=29 [1/27/12]

Jose Jimenez, Knights of Columbus
405-606-1354

Past President's Letter

I hope everyone has been enjoying our mild winter. I know it is not going to last, but it has been nice. February is suppose to make a change, so before we have our February meeting, we could have some snow.

We want everyone to be sure and make it to the February Dinner Meeting on Tuesday, February 21. We postponed it a week so you would be able to enjoy Valentine's Day. We're hoping this will make our attendance increase.

Don't forget that March is Supply Chain Month. Alex and Robert will be letting us know what they have planned for the month.

April 9 is our annual Buyer/Vendor Round Up and will be held at Crowne Plaza again this year. Please spread the word to your suppliers and your purchasing co-workers. Invite your suppliers' purchasing groups or anyone you know involved in Supply Chain Management. We need to have new attendees to help make the Round Up a success. We also need Door Prizes. Please contact Jose if you need more information, if you would like to be on a committee or even just help at the Round Up.

See you at the February Dinner Meeting.

Peggy Thurmond, C.P.M., A.P.P.
Past President/Forum Rep
523-1303, pthurmond@semasys.com



Did you know you can submit your updated contact information on our website? www.napm-okc.org

Oklahoma Economic Condition

Oklahoma: The Business Conditions Index for Oklahoma, a leading economic indicator from a survey of supply managers in the state, jumped to 58.3 from 52.1 in December. Components of the leading economic indicator for January were new orders at 52.6, production or sales at 54.1, delivery lead time at 77.4, inventories at 55.7, and employment at 53.0. "Based on recent survey results, I expect Oklahoma's level of employment to return to pre-recession levels in the first half of 2012. Durable goods manufacturing continues to be stronger than nondurable goods producers in the state. Firms report significant increases in construction activity," said Goss. Jobs needed to get back to pre-recession level: A gain of 5,000, or 0.3 percent.

Upcoming ISM Seminars

Below is the list of ISM seminars for the months of March and April 2012. For seminar details, please call the ISM Customer Service Department at 800/888-6276 or +1 480/752-6276, option 8, or visit the ISM website at www.ism.ws and select Education — Seminars, Conferences, then Seminars and then [Public Seminars](#).

March 2012		
Resisting Price Increases and Implementing Cost Improvement Initiatives #4271	March 1-2, 2012	San Francisco, CA
Driving Down Costs Through Cost/Price Analysis #4508	March 12-13, 2012	Atlanta, GA
Negotiation Strategies: Beyond the Basics, Optimizing Value (<i>formerly Advanced Negotiation Strategies</i>) #4446	March 14-16, 2012	Tampa, FL
Contracting Basics: What All the Ts and Cs Mean #4488	March 19-20, 2012	Nashville, TN
Strategic Services Procurement: Applying Strategic Sourcing Principles to the Procurement of Services #4456	March 22-23, 2012	Tampa, FL
Category Management: Cost and Leveraging Strategies for Supply Professionals #4221	March 26-28, 2012	Nashville, TN
Power Negotiations: Unlock Your Powers of Influence and Persuasion #4578	March 26-28, 2012	Atlanta, GA
Supplier Assessment and Performance Measurement: Ensuring Promised Value #4211	March 28-30, 2012	Tampa, FL
CPSM [®] and CSM [™] Bridge Exam Review Course #4242	March 29-30, 2012	Dallas, TX
April 2012		
Legal Aspects of Supply Management: The Basics You Need to Succeed #4386	April 11-13, 2012	Dallas, TX
Reducing and Controlling Costs With Cost-Containment Strategies #4590	April 12-13, 2012	San Diego, CA
Developing Excellence in Strategic Supply Management and Procurement #4201	April 16-18, 2012	Las Vegas, NV
The Supply Manager's Guide to Doing Business in Vietnam and Cambodia #4450	April 19-20, 2012	Atlanta, GA
Administering Contracts: From Start to Finish #4305	April 19-20, 2012	Las Vegas, NV
The Supply Chain Management Simulation: Play It to Win #4230	April 23-25, 2012	Chicago, IL
Fundamentals of Purchasing: The Building Blocks of World-Class Professionalism #4536	April 23-25, 2012	Phoenix, AZ
Contracting for Purchasing and Supply Management: Beyond the Basics #4420	April 26-27, 2012	Nashville, TN

Hawker Beechcraft Increases Employee Training and Development Efforts Despite a Tough Economy

By: Mike Swales, MBA, CPSM

The Environment

With the recent recession taking its toll on the American economy, business and general aviation aircraft manufacturers have also been hit hard.

"Contraction in the business jet market during the economic downturn was the worst since the Great Depression," said Ed Bolen, president and CEO of the National Business Aviation Association (NBAA), based in Washington, D.C.

"But we're a resilient group," Bolen said. "I think everybody is adapting to this environment and moving ahead."⁽¹⁾

Many of these manufacturers reside in Wichita, Kansas — dubbed the "Air Capital" by locals due to the high concentration of aviation and aerospace manufacturing present in the city. Hawker Beechcraft, Cessna, Learjet, Boeing and Airbus all have offices here.

Headquartered in Wichita, Kansas, Hawker Beechcraft Corporation (HBC), a world-leading manufacturer of business, special mission and trainer aircraft,⁽²⁾ is taking a unique approach during this recession by investing in the training and development of

its employees to be better prepared when the market improves.

The Transformation

With worldwide employees totaling more than 6,000, Hawker Beechcraft is in the midst of a transformation.

"We continue to transform our business and Founded in 1915, ISM is the largest supply management association in the world, as well as one of the most respected. ISM's mission is to lead the supply management profession through its standards of excellence, research, promotional activities and education. ISM's membership base includes more than 34,000 supply management professionals with a network of domestic and international affiliated associations."⁽⁴⁾

The CPSM[®] certification provides supply management professionals additional training in areas critical to success in the international supply marketplace. Forecasting, logistics, supplier relationship management, risk and compliance, organization and department assessment, leadership and social responsibility are some of the areas of learning the individual receives through the CPSM[®] certification course.⁽⁴⁾

The CPSM[®] Course at Hawker Beechcraft

As of December 6, 2011, 3,975 individuals worldwide held the CPSM[®] certification, and Hawker Beechcraft intends to increase this number, with nearly 90 supply chain professionals expressing interest in the program.

"CPSM[®] is one of the key strategic training programs Hawker Beechcraft is providing for our employees to grow professionally in their supply management careers. As they bring this learning and knowledge transfer back into their professions at Hawker Beechcraft, they can utilize this training to increase value and results for the business," said Blose. "We are making great strides in becoming a smaller, more agile company," said Bill Boisture, Hawker Beechcraft chair and CEO.⁽³⁾

This transformation includes providing employees with additional technical training, the opportunity to further their institutional education and opportunities to earn professional certifications.

"With the US\$10 million training incentive Hawker Beechcraft received from the state of Kansas and Sedgwick County last year, we are

"Contraction in the business jet market during the economic downturn was the worst since the Great Depression,"

taking advantage of this opportunity with our employees to become the best-trained workforce in the industry," said Jeffrey Blose, Hawker Beechcraft strategic sourcing vice president.

One aspect of this transformation is to equip individuals working within the supply chain function with additional tools and resources that help them make critical, and sometimes strategic, decisions that will positively impact the end customer, and improve the company's bottom line. An increasing number of organizations are realizing that the traditional role of the supply chain professional is changing — gone are the days that the sole responsibility of the supply chain professional is to "buy stuff." Increasingly, supply chain professionals are becoming an integral part of an organization's strategic discussion by providing relevant information on supplier performance, pricing, market dynamics (including international), value analysis, etc.

The Certification

As supply chain professionals become more involved in the organization's strategic discussions, it becomes necessary to ensure that the skill set of the individual meets or exceeds the needs of the organization. The Certified Professional in Supply Management[®]

The accelerated three-month program offered by Hawker Beechcraft takes a diverse group of supply chain professionals through topics in the CPSM[®] and CSM[™] *Study Guide* using a discussion type forum.

"The discussion forum creates a

large amount of peer interaction as it allows each class participant to discuss their personal experiences that are relevant to the discussion topic, thus increasing everyone's understanding," said Mike Swales, CPSM[®] course instructor.

Added Value

One key aspect of any transformation is the buy-in and perceived value of the course participants. Class participant Audrey John sees value in the certification. "In my experience with current CPSM[®] studies, I feel the coursework assists me in looking at the different aspects of my supply chain responsibilities. Day-to-day activities within a corporation such as Hawker Beechcraft often provide only a basic guideline of negotiation tactics or business practices when sourcing with a supplier — the CPSM[®] certification increases my understanding of these guidelines and provides insight into other beneficial practices that may not be used on a regular basis but could benefit the company."

Conclusion

In a tough economy, organizations must take steps that will position them for success when market conditions improve. Without a doubt, Hawker Beechcraft has taken some of the steps necessary to ensure a prosperous future — increasing its emphasis on employee training and development, and leveraging the value brought to its supply chain by the CPSM[®] certification.

(CPSM[®]) certification from the Institute for Supply Management[™] (ISM) is an integral part of developing the supply chain profession-

al's individual skill set at Hawker Beechcraft.

If you are interested in reprinting this article, please contact Mike Swales, MBA, CPSM at mike.swales@gmail.com.

References

1. McMillin, M. (2011, October 9). Business Aviation Moving Ahead Despite Challenges. *The Wichita Eagle*. Retrieved from www.kansas.com/2011/10/09/2054747/business-aviation-moving-ahead.html#ixzz1ewbxXNn1 on November 27, 2011.
2. Hawker Beechcraft Corporation (N.D.). About Us. Retrieved from www.hawkerbeechcraft.com/about_us/ on November 27, 2011
3. Marsh, A. (2011, May 9). Hawker Beechcraft on Path Out of Recession. *AOPA Online*. Retrieved from www.aopa.org/aircraft/articles/2011/110509_hawker_beechcraft_on_path_out_of_recession.html on November 27, 2011
4. The Institute for Supply Management (N.D.) ISM Overview. Retrieved from www.ism.ws/about/content.cfm?ItemNumber=4790&navItemNumber=4896 on December 5, 2011

NAPM - OKC Officers

President	Stefanie Jones, Chesapeake Midstream
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Membership Report

“Our Affiliate exists to provide value for the membership through education, development, and networking opportunities; to enhance our employer’s operations and advance the Supply Management profession.”

ISM National Membership,
November 2011 34,053

N.A.P.M.-OKC Membership,
January 2012 183

C.P.S.M., C.P.M. and A.P.P. Report

N.A.P.M.-OKC Membership CPSM’s
January 2012 12 (6.56%)

N.A.P.M.-OKC Membership C.P.M.’s
January 2012 13 (16.94%)

N.A.P.M.-OKC Membership A.P.P.’s
January 2012 5 (2.73%)

Changes:

Please let us know if you have changed jobs, addresses, or e-mail addresses, so we can keep our local roster current. Since “The Purchasing Pipeline” and other notices are sent to you by e-mail, this is very important, because you might miss out on an upcoming event. We will inform ISM of the change. We would also like to know if you have received your C.P.M., A.P.P., or CPSM certification, so we can congratulate you in “The Purchasing Pipeline.”

The following new members have recently joined us:

Cara Noltensmeyer, *Devon Energy*
Christian Gorshing, *NewView Okla.*
George James, *Automation-X Corp.*
Louann Stager, *Devon Energy*
Susan Mohler, *Devon Energy*
Tammy Tittle, *Cameron Compression Systems*
Stephen Krausnick, *The City of Oklahoma City*

Amy K. Simpson, CPSM Membership Director, 297-3959,
amy.simpson@okc.gov

Donna Dolezal, Membership Vice Chair, 886-3293,
donna.dolezel@yahoo.com



Meeting Information:

TUESDAY

February 21

Dinner Meeting

Hometown Buffet

3900 N.W. 63rd Street

Oklahoma City, OK

6:00 – 8:00 p.m.

Hope you'll join us!!



Supply Management

Maximizing Opportunities. Managing Risk.

Who Do We Represent?

Our members represent the following companies. Thank you for your support.

Astellas Pharma Tech
Autocraft Industries
Automation-X Corporation
Autoquip Corporation
Beam's Industries
Best Buy
Big D Industries Inc.
Bimbo Bakeries USA
Blue Knight Energy Partners
Borets Weatherford
Bradford Industrial Supply Co.
Cameron Compression Systems
Carlisle Foodservice Products
Cass Polymers Inc.
Chapparral Energy Inc.
Chesapeake Midstream
Chickasaw Nation Div of Commerce
City of Oklahoma City
Cleveland County
Compsource
Conoco Phillips
Cooper Compression
COTPA
Coughlin Equipment
Covercraft Industries Inc.

Devon Energy
Dolese Bros. Co.
Enviro Systems Inc.
Fife Corporation
Franklin Electric Water Transfer System
GE Oil & Gas
George Fischer Central Plastics
Halliburton
Heartland Pathology Consultants
High Mount Exploration and Production
Industrial Gasket
Integris Baptist Health Center
J & E Supply & Fastener Co.
Johnson Controls, Inc.
KimRay Inc.
Knights of Columbus
KP Supply
Linn Energy
Lopez Foods Inc.
Lux Consulting
MD Building Products
Modular Svcs Co
NewView Oklahoma
OG&E
Oklahoma City Community College

Oklahoma Publishing Co.
Pelco Products
Picerne Military Housing
Pioneer Telephone Cooperative Inc.
PM&L Manager Haliiburton
PostRock Energy
Progressive Stamping, LLC
Remy Inc.
SandRidge
SemaSys Inc.
Smart Lines LLC
Smith & Nephew Inc.
SORB Technology Inc.
Southwest Electric Co.
Surface Mount Depot
T D K Ferrites Corp.
Universal Well Site Solutions
University of Central Oklahoma
University of Oklahoma
US Silica Co.
USA Compression
Vaughn Foods, Inc.
Walker & Sons Enterprises Inc.
WellMark Co