

# 92nd ISM International Conference

*Highlights and comments – mlt 05/17/07*

Over 2700 delegates attending with many from outside the US. In addition to the US, Bermuda; Brazil; Canada; China; Colombia; Costa Rica; Denmark; France; Germany; Hong Kong; Hungary; Ireland; Jamaica; Korea; Mexico; Netherlands; New Zealand; Norway; Saudi Arabia; Singapore; South Africa; Sweden; Taiwan; Trinidad & Tobago; United Kingdom were also represented, several by rather large groups.

Looking at the crowd and talking with other delegates, it was obvious that a lot of contracting and supply management is happening internationally.

The conference proceedings are available online at [www.ism.ws/pubs/proceedings/YearProceedingsIndex.cfm?LISTITEMID=828&View=1](http://www.ism.ws/pubs/proceedings/YearProceedingsIndex.cfm?LISTITEMID=828&View=1)

*I have a large package of handouts and brochures available for people to review here in the office.*

**Keynote speaker: Malcolm Gladwell.** Psychologist and Author of several books including *Blink*. Talking about how people make judgments unconsciously and instinctively. *He pointed out that too much information, emotional events and over analysis can turn an experienced person into a poor decision maker. An example is where he sees corporations needing to do a better job of identifying people who can make good judgment calls would be in the interviewing and hiring process. In hiring employees, often the gut-feel of an experienced executive is a better decision than a group analysis. Also reported on several similar experiments. Example: The Pepsi-Coke challenge. When given just one to taste, a majority of people can correctly say if the product is the one they prefer. But when given both to taste, the percentage of accurate responses drops measurably. I plan to take a look at his book - it sounds interesting.*

**Keynote Speaker: Stanley Bing** humorist and author with several books. *Funny, but not a real deep message. I plan to look for his book Sun Tzu Was A sissy.*

**Keynote Speaker: Paul Laudincina**, Chairman of the Board, AT Kearney. Talking about the increasingly rapid pace of workplace change. Encouraged management to “leverage technology” to cope with the exponential growth of available data. Our future challenge will be managing the technology not lack of data. *He has a book World Out Of Balance that might be interesting to browse.*

**Keynote speaker: Dr. Bertice Berry.** Psychologist, Sociologist, author and motivational speaker. I plan to look for her book, *I'm On My Way But Your Foot Is On My Head.. Very good speaker. Funny, humorous and motivational. As she put it, “When you walk with purpose, you collide with destiny”. I highly recommend hearing her if you have the chance.*

**ISM Conference Exhibits.** A very large trade show, now mostly dominated by service providers instead of industrial supplies. Everything from Office Depot promoting its on-line ordering to Ariba, promoting its ERP solutions. Many companies offering spend analysis and strategic sourcing solicitation software packages. I asked the ones I spoke to about two specific problems; 1) electronic records and 2) normalizing or validating online vendor registration information. I did not get good answers. The good news is that the technology for producing software packages is getting very powerful and flexible. Innovative improvements in software capability and strong competition is making it a buyer's market.

I returned with several brochures from vendors including an interactive CD of one suite of products. I also made a commitment with several vendors to exchange ideas & information about vendor information files.

One very interesting industrial product was displayed by Fastenall. It was a lockable tool cabinet with a built in computerized inventory system using RFID tags. Opening the cabinet required a charge code which was automatically charged for the items removed. Would make a lot of sense for storing high value inventory items.

### **ISM Career Center:**

The career center included 4 different companies who had scheduled interviews and were encouraging drop-ins.

### **R. Gene Richter Awards:**

Companies won who demonstrated real savings through innovative improvements. I listened to presentations made by AllTel and Johnson and Johnson. Neither did anything magic from a technical perspective, but both were able to get buy-in from the rest of the organization which resulted in savings and process improvements.  
[www.ism.ws/about/mediaroom/newsreleasedetail.cfm?itemnumber=16585](http://www.ism.ws/about/mediaroom/newsreleasedetail.cfm?itemnumber=16585)

AllTel wireless, put together a simple online order status reporting system that caught the attention of Financial Management. Whenever procurement reports a negotiated cost-saving, finance removes the residual amount from the buying organizations' budget.

Johnson and Johnson, applied spend analysis and benchmarking to consolidate and reduce the overall amount spent on consulting services. They built an analysis tool on top of an ARIBA ERP solutions and obtained buy-in from the senior management to using standardized sourcing process for consultants.

The Gene Richter Scholarship winners were also introduced. Just like last year, the accomplishments, drive and ambitions of these students is impressive. Kids like these and the ones we met last year are the significant competition for tomorrow's senior supply Management jobs.

<http://www.ism.ws/about/MediaRoom/newsreleasedetail.cfm?ItemNumber=16584>

### **ISM Principles of Social Responsibility**

A significant emphasis being made to encourage member companies to commit to socially responsible business behavior. The ISM principles of social responsibility include elements such as ethics, the environment and human rights.

[www.ism.ws/SR/content.cfm?ItemNumber=4767&navItemNumber=5503](http://www.ism.ws/SR/content.cfm?ItemNumber=4767&navItemNumber=5503)

### **ISM CPSM program (Certified Professional in Supply Management)**

The new certification program being prepared by ISM which will replace the old Certified Purchasing Manager certification. More international, more management and more strategic. Program is definitely on the radar screen of professionals who will be in the workplace for any length of time. As International trade increases and since ISM is the world's largest Supply Chain organization, the certification will probably become a primary differentiator for career advancement.

[www.ism.ws/certification/content.cfm?ItemNumber=5722&navItemNumber=5618](http://www.ism.ws/certification/content.cfm?ItemNumber=5722&navItemNumber=5618)

### **ISM J. Shipman Gold Medal**

The highest recognition that ISM can give to someone who has served the organization and the business community. Presented to Norbert Ore, C.P.M. who has chaired the ISM business survey since 1996. It is amazing to hear or read about the accomplishments of the people who have won this award.

[www.ism.ws/about/MediaRoom/newsreleasedetail.cfm?ItemNumber=16594](http://www.ism.ws/about/MediaRoom/newsreleasedetail.cfm?ItemNumber=16594)

### **Workshops:**

*I have the handouts from these workshops –*

<b>Title:</b>	<a href="#">Navigating the Rough Seas of Intercultural Negotiation</a>
<b>Abstract:</b>	Global supply sourcing keeps our businesses competitive, and ISM members need high levels of intercultural negotiation competence. In this practical, engaging and participatory workshop you will learn a model for understanding the effect of culture on the negotiation process, and develop skills to more effectively negotiate with your international suppliers.
<b>Authors</b>	Saphiere, Dianne Hofner Fischer, Maggie

*Comments: Provided examples of how day-to-day contract administration could be affected by cultural differences. Interpretation of problems, expected reaction to criticism and chain-of-command must be considered when working internationally. Suggested a resource for learning more about differing cultures before setting up contract administration plans. [www.culturaldetective.com/news.htm](http://www.culturaldetective.com/news.htm)*

<b>Title:</b>	<a href="#">The Hub Factor: The Art of Influence through Powerful Networking Skills</a>
<b>Abstract:</b>	Networking is all about making important personal connections and building social capital. The time to create a network is before you need one – whether you’re job hunting, being a mentor, creating key business alliances or helping new employees integrate into the company. However, more than three-quarters of Americans are uncomfortable with networking. Yet the most successful people spend about 85% of their time building and maintaining relationships. The Hub Factor teaches that true networking is more about the art of leaving people feeling better about themselves than when you met them. This is the art of influence, and how you build loyal and responsive networks. Learn a different model for networking skills that could make the difference between a highly successful career and an average one. In a fast-changing world where connections really count, this session will leave you with the skills to start building your spheres of influence with confidence.
<b>Authors:</b>	Hubbel, Julia E.

*Comments: We did some interaction exercises. Primary point is that men and women get to know people and form networks differently. She suggested that in a professional environment, we can improve networking by asking better questions. Instead of “what do you do?” ask “What do you find most challenging about your job?” Deeper questions provide more information and most importantly a better opportunity to form a memorable connection.*

*I connected this discussion to the keynote address by noting that people form opinions and judgments about each other in the first few seconds. Thus to mitigate this **BLINK** reaction, we must be prepared to respond concisely and interestingly to questions about ourselves when we meet new people. Example: When introduced to a potentially valuable contact, I need to be have a memorable and meaningful answer to the inevitable question about what I do. I train and equip a government contracting staff with software systems, working tools, contract language and regulatory guidance.*

<b>Title:</b>	<a href="#">Economic Price Adjustment Clauses to Reduce Supplier Price Contingencies</a>
<b>Abstract:</b>	Economic price adjustment clauses remove price contingencies put into the final price by suppliers to protect themselves from volatile economic conditions that impact the cost drivers beyond the supplier's control. Learning how to remove the price padding is usually a better solution for both the supplier and the supply professional.
<b>Authors:</b>	Bendorf, C.P.M., Robi

**Comments:** Probably the most direct speaker I heard. Spoke in specific details about how to set up and include an economic price adjustment clause in contracts. Handout is detailed. One point he made worth considering is that an agreement to pay using a different currency should be considered like an agreement for economic adjustment- since the currency exchange rate is constantly fluctuating. This would necessitate a contract clause which addresses the exchange rate, limitations on changes, a specific index to use in calculating the total, etc. The currency agreement is basically an economic price adjustment clause. His web site has a lot of good information. [www.bendorf.com](http://www.bendorf.com)

<b>Title:</b>	<a href="#">Leading Practices in Setting-Up, Developing &amp; Maintaining a Supplier Information File (SIF)</a>
<b>Abstract:</b>	This session provides supply managers with insights to ascertain why and for how long supplier records need to be retained so as to be legally sound. Also, a discussion on what particular records should be brought together onsite. A detailed description will be offered on how to create a fluid Supplier Information File (SIF).
<b>Authors:</b>	Lo Cigno, C.P.M., A.P.P., CBM, Anthony S.

**Comments:** Discussed the need for an accurate supplier information file. Handout does a good job of reviewing legal aspects and issues. We are way ahead of him –and have already addressed most of the issues he covered. He is still working in a paper filing system. Funny; he works for the company that makes CROCS – which has experienced significant growth. You could easily tell in the audience who has children – by those who recognized the brand name.

<b>Title:</b>	<a href="#">Update On Recent Developments In International Purchasing/Contracting</a>
<b>Abstract:</b>	Overview of recent developments impacting professionals in international purchase/sale of goods with a focus on the Convention on Contracts for the International Sale of Goods — CISG — and results of two recent studies: benchmarking on the use/non-use of particular contractual terms and conditions in international commerce and the use of arbitration.
<b>Authors:</b>	Rumbaugh, J.D., C.P.C.M., Charles E.

**Comments:** Talking about the Terms which will govern contracts issued internationally. Pointed out that the UCC which governs contracting in the US does not apply unless specifically identified and agreed to in the contract. 68 Countries have signed the agreement which automatically applies in those countries unless specifically written out of the contract. One major difference in the international terms is with contract formation. A binding contract can be created with obvious gaps. Also touched on proposed changes to the UCC Article 2 which, among other things, deletes transportation terms [like FOB point] in favor of the international INCOTERMS. I've written several short articles on this subject. Here's one: [www.mltweb.com/tools/buytrain/news0507.htm](http://www.mltweb.com/tools/buytrain/news0507.htm) Rumbaugh also has a web site including regulatory articles and information: <http://www.rumbaugh.net/>

<b>Title:</b>	<a href="#">Service Level Agreements that Actually Work</a>
<b>Abstract:</b>	This session is for contract managers, sourcing professionals and even other internal clients who need to take a part in service level agreement (SLA) creation. It is based on years of creating SLAs at many different large organizations and seeing what works and does not work.
<b>Authors:</b>	Maxim, Jon Todesco, John

*Comments: Recommended including contract clauses which define service levels and service expectations in service contracts. Consultant pointed out that many service contracts end up being renegotiated or in dispute because original contract did not define what was expected in a way that could be objectively measured. Even including the “intent of the agreement can help in a legal dispute. Example: the objective of this contract is to result in clean, streak free windows within one week after award. Also showed an example of how to setting a dollar value for a remedy or incentive. Discussed an example where an effective non-financial remedy was written into a contract – basically the vendor would have had to run a full page advertisement apologizing to community for failure to perform on a government contract.*

## **ISM Electronic Supply Management Group**

ESMG web site and discussion group content [www.ism-esmg.org](http://www.ism-esmg.org) .

## **ISM Permanent Conference Committee**

ISM plans conferences many years in advance. The ISM Permanent Conference Committee Strategic planning report, discusses the effort being made to improve each conference and keep content and speakers current.

2008 St Louis May 4-7

2009 Charlotte, NC, May 3-6

2010 San Diego, CA April 25-28

2011 Orlando, FL 5/15-5/18

2012 Baltimore, MD 5/6-5/9

2013 Dallas, TX 4/28-5/1

## **Pacific Northwest Purchasing Conference**

Next regional conference will be hosted by NAPM Idaho SW in Boise on November 1-3, 2007. Will be a lower-cost alternative to meet professionals from around the northwest and hear top speakers. NAPMIdahoSW web site for details as they become available. [www.napmidahosouthwest.org/](http://www.napmidahosouthwest.org/)