

PRESIDENT'S CORNER

Hello ISMNV Members,

I would like to thank those of you that were able to attend the social at Jim's home in May. I got to see some people that I have not seen in awhile and some new faces were there as well. Jim's home is amazing, especially the backyard!!!

I would also like to welcome the new board members that we have and also to let you know that we still have some openings if anyone is interested. Please reach out to either Jim or myself. It is all of us combined that makes this the great organization that it is known for.

Keep on the lookout for some other networking opportunities in the future, as we are wanting to do one each quarter!

Cheers,

Dawna Herndon

ISM-Nevada President



CPSM[®] Exam Updates
It's Time to Get Serious

Introducing new courseware in April 2018, and updated exams in September 2018.



ISM is encouraging those currently working on their CPSM[®] to complete their exams now, before they change! Whether you're already in the CPSM[®] pipeline or thinking about earning this certification, **you still have time** to achieve this important professional milestone.

UPCOMING *Mark Your Calendars* **EVENTS** 

**June 20th Breakfast Meeting
"See What's Cookin' at Maggiano's"**



Restaurant margins are notoriously slim, so figuring out how to control food costs plays a major role in any restaurant's success or failure. Come learn how Chef Anthony controls Maggiano's food cost when he applies the four basic principles: order as necessary, maximize each ingredient, cook seasonally, and have multiple sources of supply. And best of all, we get a great breakfast prepared by Maggiano's!

Guest Speaker - Chef Anthony Psyk- born in Chicago, IL, and possesses quite a diverse background, with a degree in Philosophy and Psychology from Triton College. He began his career with Maggiano's at the Schaumburg, IL location in 1999, and since then has helped Maggiano's open multiple new locations including Houston in 2000 and Las Vegas in 2004.

Wednesday, June 20th, 7 a.m. to 9 a.m.

Maggiano's Little Italy
3200 Las Vegas Blvd South (Fashion Show Mall)
Las Vegas, NV 89109

**October 3 - Seminar
"How to interview suppliers like an FBI Agent"**



Game-changing interactive workshop that delivers real world investigative interviewing experience to both novice and experienced professionals. Private sector attendees will receive similar (but condensed) training given to the US Intelligence Community (FBI, CIA, NSA, etc.).

Attendees will learn foundational investigative interviewing techniques to identify another individual's motivations, interests, and honesty. New skills can be applied immediately in both professional and personal situations.

Seminar Leader – Dan Kelly

Tickets
\$150.00 Member
\$140.00 Earlybird rate before September 14

\$175.00 Guest
\$165.00 Earlybird rate before September 14

ISM – Nevada proudly welcomes new Board Members and Committee Chairs

*Leanne Duong-Ma – Owner of Direct Source Procurement
Michael Harris – Financial Analyst at Southern Nevada Housing Authority
Jim Haining – Purchasing Manager at Las Vegas Valley Water District.*

ISM-Nevada's Mission is to offer the best value by providing diversity of world class educational, networking, and career development opportunities to advance the supply management professional. These Procurement professional's participation will advocate our mission, enhance our footprint in the community and increase our impact.

We look forward to working with new Board members over the next 2 years!

Executive Board

Dawna Herndon – President

Jennifer Hobbs - Vice President

Carol Poindexter, C.P.M., A.P.P., CPPO- Secretary /Treasurer, Professional Credentials Chair

Directors/committee chairs

Jim Haining, CPSM, CPSD, C.P.M., A.P.P., MBA – Executive Director, Education Director, Seminar Committee Chair, Webmaster

Michael Harris –Membership/Marketing Director, Special Events Director

Mathew Wion – Education Director, Monthly Meeting Committee Member-LV

Leanne Duong-Ma, C.P.M., A.P.P. – Special Events Director

Dianne Collins, CPSD, C.P.M., CPPO, CPPB – Special Events Committee Member

Barbara Mejia – Newsletter Chair

Procurement & Sustainability: What Should Sourcing Managers Know?

Sustainability is growing as a priority for consumers and businesses alike. More and more customers are demanding responsibly sourced products, and it is becoming increasingly important to take the state of the environment into account when operating as a business. Aside from concerns over ethics and consumer demand, however, sustainable practices can also be more economical, and should, consequently, be taken into account when formulating sourcing and procurement strategy.

Transparency and sustainability can be a significant draw for consumers. People can be highly loyal to companies that share and act on their values, and many are willing to pay a higher price for such things. They are also more likely to trust an organization that is open about its processes and sources. In terms of costs, sometimes environmentally friendly policies are also more cost-effective. Reducing fuel use and CO2 emissions, for example, can provide significant savings.

The stats: sustainability is on the rise



EcoVadis has just released its latest report on sustainable procurement, titled "Scaling Up Sustainable Procurement: A New Phase of Expansion Must Begin." It surveyed 120 companies in a variety of industries, as well as 360 suppliers. The study reveals that 97% of procurement organizations believe that sustainability and corporate social responsibility are important or critically important to operations. The motivation for sustainability varies by region — in the United States, the main motivator is risk mitigation, while European companies are more concerned about brand reputation.

The report also found that 76% of companies noticed an improvement in brand reputation as a result of sustainable procurement activities, and 55% had better supplier relationships. Sustainability is becoming a bigger focus for companies across the board, with the study showing

an increase in sustainable activities in several areas over 2013, the year the previous version of this study was released. In order to remain competitive, companies can no longer afford to ignore this aspect of procurement decisions.

Putting it into practice

So how does a company ensure that its procurement strategy is sustainable? The process starts from within the organization. By setting an example at the highest levels of management and encouraging employee investment, it will be easier to integrate sustainability practices at every level. Soliciting suggestions and feedback from employees can bring in new ideas and increase engagement. Making sustainability part of an individual's goals can also be effective. Feedback and transparency are also valuable. Not only does more information increase one's ability to make effective procurement decisions, but it also allows people to see the impact that their suggestions and efforts make, both on the company and the environment and on people around the world.

In terms of implementation, strong external reporting is essential. Without an accurate view of the supply chain and individual supplier performance, it is impossible to manage sustainability throughout the procurement process. By the same token, having a good relationship with suppliers is critical, as communication and cooperation can improve results significantly. There are several factors to consider when establishing procurement strategy, and it can be difficult to determine what areas to prioritize (production, transportation, etc.). It is important to have a thorough understanding of the supply chain, the company's goals, and stakeholder values. This makes it possible to narrow down the most important aspects and the ones that have the greatest impact and decide what can be ignored or receive less emphasis. By keeping all these factors in mind, it will be possible to gradually establish a supply chain that benefits both the environment and the company.

Article adopted by <https://www.spendedge.com/blogs/procurement-sustainability-sourcing-managers>



Register Now

For upcoming events, Register at
www.ismnav.com



Congratulations

2018 Robert C. Ashby "Excellence in Supply Management"

Award winner-- Barbara Mejia of The Venetian!

Barb has been a member of the ISM-Nevada Board of Directors and Director of Communications for the past several years. She is a stalwart in the purchasing community in the Las Vegas valley as the Director of Procurement for the Venetian Casino Resort."

It is with great enthusiasm at the Robert C. Ashby Award Committee award the 2018 Excellence in Supply Management Award to Barb.



Join ISM today and become part of a powerful network of 45,000 supply management professionals who lead and shape supply management today and in the future.

To learn more about membership eligibility and types, benefits and application process, please contact Membership/Marketing Director Michael Harris at harris_michael@cox.net or visit the ISM NV website at <http://ismnv.org/join.php>



Log into your LinkedIn and Facebook accounts and search for ISM-Nevada under Groups. Connect with us today!



Supply Chain Knowledge

Submitted by Carol Poindexter, C.P.M., CPPPO

The following sample test questions were developed for those procurement professionals interested in acquiring their CPSM and CPSD professional credentials. These and other questions are posted in the CPSM Exam Review workbook published by the Institute for Supply Management.

Question 1

A supply management professional requested proposals from four suppliers. Before any proposal was received, the project engineering department changed the project scope, which resulted in a change of specifications. What should the supply professional do FIRST? (Task 1-A-1)

- (A) Call and email each supplier to advise of a change in specification, advising how long it would take for the suppliers to receive new specifications, and asking each supplier to respond immediately if additional time would be required to respond.
- (B) Ensure that the process is properly documented by writing a letter to each supplier advising of a change in specification, advising how long it would take for the suppliers to receive new specifications, and asking each supplier to respond immediately if additional time would be required to respond.
- (C) Call an interim pre-bid meeting to discuss and clarify new specifications.
- (D) Ensure that all involved clearly understand the project by preparing and distributing another complete request for proposal (RFP) package to each supplier.

Question 2

Which of the following statements is MOST accurate with regard to cost? (Task 1-B-2)

- (A) Often, cost control is a trade-off between cost and quality.
- (B) A key objective of cost control is to reduce the supplier's profit margin.
- (C) Cost control is primarily the result of improvements in on-the-job training.
- (D) Cost avoidance is another term for cost containment.

Question 3

Which of the following is NOT an example of a diversity program goal? (Task SD-A-1)

- (A) Expanding the base of diverse classes of suppliers.
- (B) Matching the diversity of suppliers to the diversity of customers.
- (C) Providing development assistance to smaller suppliers.
- (D) Reducing the size of the supply base.

Answers can be found on next page.



Question 1

Option (A) is correct because preparing a proposal consumes supplier resources. Accordingly, there is a cost attached. Sound practice dictates that a supplier is notified, as soon as practical, if specifications are changed. Otherwise, the supplier may continue to consume resources on a proposal that would not be useful. All changes in a formal bid should be put in writing at some point.

Option (B) is incorrect because, while a change in specifications should definitely be documented through writing, a letter delivered through the US Mail takes time and the supplier may still be working on the original proposal. Accordingly, the most immediate response would be to call each supplier.

Option (C) is incorrect because there is nothing in this case to indicate that specifications are vague. Rather, indications are that specifications are firm. Accordingly, there is no need for an interim pre-bid meeting.

Option (D) is incorrect because there may not be a need to prepare another complete package. Advice on changes in project scope and specifications are generally accepted as sufficient, unless the changes are significant enough to warrant a new RFP. Because the new specs are not yet known, the buyer cannot yet make this determination.

Question 2

Option (A) is correct because there is a correlation between quality and cost. Often, the higher the required level of quality, the greater the cost. The goal of supply management professionals is to identify the minimum level of quality that will satisfy the customer's need and, while ensuring the minimum quality level is met, balance the quality of the final product or service with the total cost.

Option (B) is incorrect because supply management professionals need to use care to ensure the supplier earns a fair profit and is able to stay in business.

Option (C) is incorrect as on-the-job training is not the primary influence on costs.

Option (D) is incorrect because cost avoidance is defined as preventing or reducing future costs, while cost containment refers to holding costs within certain target limits over a specified period.

Question 3

Option (D) is correct. Determining the side of the supply base is not a diversity goal. In many cases as the supply base shrinks, some of the suppliers who are cut are diverse suppliers, so diversity of the supply base may actually lessen.

Option (A and B) are incorrect; they are directly related to enhancing supplier diversity.

Option (C) is incorrect. Many diverse suppliers are smaller companies, and organizations that want to enhance diversity often provide development assistance to these smaller suppliers.