

PRESIDENT'S CORNER

Hello Members,

I found this article and thought it had good information on why relationships are so important:

Building Good Supplier Relationships, Part I

How Can You Build Better Supplier Relationships?

By Charles Dominick, SPSM, SPSM2, SPSM3

Good supplier relationships can help your organization succeed. Those relationships are particularly critical in this hot economy, when suppliers' capacity is strained, upward cost pressures are strong, and suppliers can pick and choose which customers get served first.

There are plenty of technical ways to build good supplier relationships: Pay suppliers on time, don't ask suppliers to perform unusual tasks just because that's "the way it's always been done," share plans and information, integrate technologies to achieve mutual cost reductions, etc. And, of course, it doesn't hurt to be your supplier's biggest customer.

But there are also some more personal ways to build good supplier relationships. Those ways begin with the idea of simply being someone that your supplier contact likes. It may sound simple, but sales professionals study how to build and leverage personal relationships with buyers all the time.

A good relationship can be the difference between getting a shipment on time and getting a shipment unacceptably late. So, it's important for procurement professionals like you to actively try to be more likable to your suppliers. This two-part series will share five things you can do in interacting with your supplier contact. The first is:

1. **Establish a Relationship at the Highest Level Possible.** If your day-to-day interactions are mostly with a customer service representative, that doesn't mean that your primary relationship should be with that person. Try to be introduced to the highest-level decision-maker possible, perhaps even the CEO. In cases where having a relationship with the CEO is not possible, establish a relationship with someone who can at least influence the highest-level decisions.

www.nextlevelpurchasing.com/news/purchasing-articles/building-good-supplier-relationships

Cheers,
Dawna Herndon
President, ISM-Nevada

March 21, 2018 Plant Tour & Breakfast Meeting

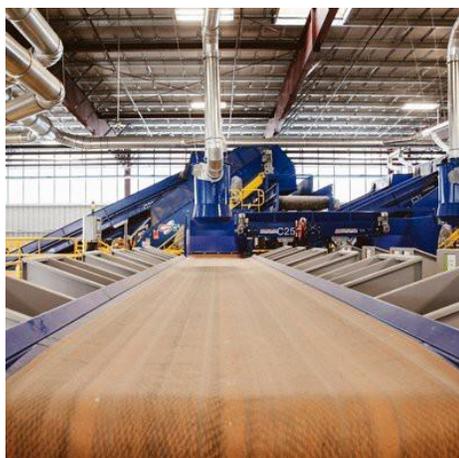
Southern Nevada Recycling Center

Ever wonder what really happens to your recyclables? Or ever wonder what and how to recycle? Join us for an interactive tour of the Southern Nevada Recycling Center to see and hear how you can make a difference at home and at the office.

The Southern Nevada Recycling Center is the largest and smartest residential recycling center in North America. The 110,000 square foot facility is home to highly advanced, state-of-the-art recycling technologies. The architecture of the building was engineered using recycled and repurposed materials, and features various elements of sustainability throughout the facility. Featuring an interactive Learning Center offering ISM meeting attendees a rare, first-hand view of the recycling process. The Center serves almost 550,000 households throughout the area, including the cities of North Las Vegas, Las Vegas, Henderson, and Clark County. The Center can process 70 tons of mixed recyclables an hour and 265,000 tons a year. More than 75 percent of the building is made from recycled and remanufactured steel. The natural landscape was preserved and repurposed to make aggregate for the flood channels surrounding the building. Water efficient automatic low-flow fixtures were installed to conserve water, reducing consumption by more than 20 percent. High solar reflectance index roof materials were installed to minimize heat retention in the building.

During this tour you'll learn about what can be recycled and see how materials are repurposed and remanufactured to make new products. The center also features a variety of customer recycling stories. These customers are moving the needle in recycling across Southern Nevada including Zappos, MGM International, McCarran International Airport, CDW, Clark County School District, University of Nevada Las Vegas, Las Vegas Convention & Visitors Authority, Las Vegas Convention Center, City of North Las Vegas, and the City of Henderson.

Breakfast sandwiches and drinks will be provided



Southwest Nevada Recycling Center

360 West Cheyenne Ave
North Las Vegas, NV 89030

March 21, 2018

8:00 AM Breakfast – 8:30 AM Tour begins

Tickets: \$10 member / \$15 Guest

Register at www.ismnev.com

Supplier Opportunity Fair

Wednesday April 18, 2018

9:00 AM to 1:00 PM

Pearson Community Center, 1625 West Carey Avenue, North Las Vegas, NV

This is a reverse trade fair where the Procurement Professionals are in the booths. It's a great opportunity to:

- **Inform suppliers how to do business with your organization**
- **Announce upcoming bid opportunities**
- **Discuss cost saving ideas**
- **NETWORKING with your peers**

The annual Buyer and Supplier Recognition Awards will be presented during lunch.

(Complimentary Lunch for Procurement Exhibitors)

March 28, 2018 Seminar



Investigative Negotiations for Breakthrough Total Cost of Ownership

ISM-Nevada is pleased to have globally recognized negotiations author, consultant, professor, and speaker Omid Ghamami, MBA, CPSCM ("THE Godfather of Negotiation Planning" ~ Intel Corp) back by popular demand.

Omid won't show you how to squeeze the supplier even harder and he won't show you negotiation room tactics and counter-tactics. Both of those are dated strategies.

He will show you real, implementable, powerful strategies to find out what else that is NOT on the quotation that the supplier values besides price, and leveraging that knowledge to get the supplier to trade for aggressive price and other TCO concessions in your favor, not because they had to, but because they were delighted to.

Register at www.ismnv.com



C.P.M. Re-Certification

Kelly Malan, C.P.M.
Newmont Mining



**ISM-Nevada welcomes the following
New Members!**

Greg Garza – Amazon
Ted Parkman



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 visit Membership Committee Chairs Melanie Lever at mlever@washoecounty.us, or Natasa Christodoulidou at nchristodoulidou@csudh.edu or 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!



Test Your Procurement Knowledge

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

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

Which of the following should a supply manager take into consideration when designing and laying out a warehouse? (Task 2-B-1)

- (a) Union labor is efficiently utilized, state and local taxes are minimized and entry and exit points are on opposite sides.
- (b) Materials flow efficiently, locations are clearly identified and space utilization is optimal.
- (c) Build ups and build outs remain possible, space utilization is optimal and labor costs are minimized.
- (d) Equipment options remain flexible, state and local taxes are minimized and labor costs are minimized.

Question 2

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

- (a) Fundamentally, cost control is a trade-off between cost and quality.
- (b) A key objective of cost control is to take advantage of changes in technology.
- (c) Cost control is primarily the result of improvements through on-the-job experience.
- (d) Cost avoidance and cost containment mean the same thing.

Question 3

The transfer of a claim or right from one party to another is commonly referred to as: (Task 3-A-6)

- (a) Due diligence.
- (b) Assignment consent.
- (c) Divestiture of assets.
- (d) Outsourcing.

Answers can be found on next pager.



Question 1

Option (B) is correct because design should always be flexible to allow for the changes needed as time passes. While each of these concerns can be considered valid, material flows, warehouse location and space utilization are the three most important considerations.

Option (A) is incorrect because it appears to imply that unionized labor is bad, and that one specific warehouse design (through-flow) is best. While minimizing taxes is important financially, this consideration should come only after the top three concerns are met.

Option (C) is incorrect because it implies a flexible design will allow for warehouse upgrades. This can be important, but should not be among the first considerations. The remaining two considerations are important, but not when combined with the first.

Option (D) is incorrect because it suggests three important considerations, but they become important only after the primary considerations are met.

Question 2

Option (B) is correct because principal objectives of cost control are to take advantage of changes in technology, changes in the operating environment, and on-the-job experience.

Option (A) is incorrect because cost should not be achieved at the expense of quality.

Option (C) is incorrect as on-the-job experience can, and often does, lead to reduced cost; however, it 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 (B) is correct because the transfer of a claim or right from one party to another is the definition of assignment consent.

Option (A) is incorrect because the due diligence process is an overview of the strengths and weaknesses of each organization.

Option (C) is incorrect because divestitures of assets involves the selling of a specific business or line of business that the organization feels no longer strategically fits in terms of competitive advantage and value add.

Option (D) is incorrect because outsourcing is a version of the make-or-buy decision in which an organization elects to purchase a good or service that was previously made in-house. These activities can be spun off into a separate organization or provided by an independent contractor.