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Calendar of Events:

www.pmac.org

October 6th—Fed Ex Tour

October 7th—Board of Directors Meeting

October 21st— October Forum and Dinner Meeting

November 4th—Board of Directors Meeting

November 18th— November "Bring Your Executive" Forum and Dinner Meeting

Welcome Back, *Buylines*!

We are excited to be able to bring *Buylines* to you again! We will publish this on a quarterly basis. We will bring you news of upcoming events, welcome new and returning members, brag about our member's accomplishments and offer some food for thought. So—let's get down to business!

Upcoming Events—Mark your Calendar Now!

October 6: Fed Ex Tour. Joe Shannon has arranged a tour for up to 30 PMAC members of the Fed Ex facility located at Rt. 21 and the Ohio Turnpike. This is an excellent way to learn about what happens after a package leaves your facility! This facility is considered a state-of-the-art site that offers the latest technology and innovation in the world of logistics. This is a unique opportunity and we certainly hope you strongly consider being part of this tour. Details and registration are available under the Calendar of Events at www.pmac.org.

October 7: Board of Directors Meeting ~ Membership Always Welcome!

October 21: PMAC Forum and Dinner Meeting. Representatives from Phoenix International, a premier freight-forwarded and Customs Broker operating in the international arena will be both our Forum presenters and Dinner Speakers. During the Forum, they will help us

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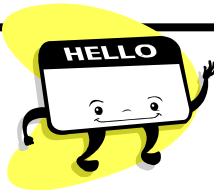
SRM—What Is It and Should You Have a Program

By Kevin S. Fox, C.P.S.M.

SRM - Supplier Relationship Management. You can hardly pick up a trade magazine or professional publication without there being some reference to supplier relationships, supplier management, scorecards, collaborative efforts, strategic sourcing, risk management and the list goes on. Just look at the September 2010 cover of **INSIDE SUPPLY MANAGEMENT**.

We each have our own idea of what SRM is and often think, "that would be great if we could implement that here". But what does it mean? Different people will define SRM differently, but the definition put forth by Jonathon Hughes, from Vantage Partners is clean and concise:

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Welcome To PMAC!!

Welcome to following new PMAC Members who joined us throughout the summer:

Richard Doganiero,
Marine Mechanical

Martin Sfiligoj, C.P.M.,
Thistledown Race Track

Sara Spencer,
TECT

Wendy Li,
Eberhard Mfg Co

Carolyn Falasco,
Bendix CVS, LLC

Robin Watson,
Clinical Research Management

Melinda Boykin,
Case Western Reserve University

Frank Charvat

Alejandro Lopez,
PolyOne Corporation

Bruce Collins,
Housing Joshua Advisory Group LLC

Michael Portale
Cliffs Natural Resources

Renee Drummer
Lexmark International

For all new members, please remember to bring your New Member Welcome Letter to the first meeting for your complimentary meal!

Welcome Back!

Robert Poe
Flight Space Options

2010-2011 Board of Directors

**Ron Aheimer, C.P.M.,
C.P.S.M.**
President
president@pmac.org

**Dr. Bijay Nayak,
Vice-President**
vp@pmac.org

Sandi Keske, C.P.M.
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marketing@pmac.org

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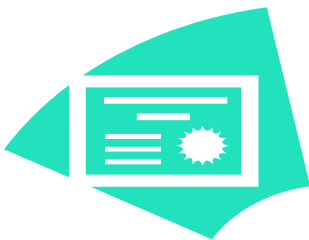
**Karen Raines, C.P.M.,
A.P.P**
Special Events Chair
specialevents@pmac.org

Amy Gress
Technology Chair
technology@pmac.org

Debby Lance
Administrative Asst
info@pmac.org

Buylines BragBoard

Do you have some news that you would like to share with our membership? Please email it to buylines@pmac.org.



Our hearty congratulations goes out to Chuck Verderber of Swagelok who was recently recertified as a Certified Purchasing Manager (C.P.M.). Great Job, Chuck!

Watch for upcoming CPSM review classes on the Calendar of Events at www.pmac.org.

New Certification

ISM has announced that a new certification program will be rolling out. It is called the Certified Professional in Supplier Diversity (CPSD). Pilot testing is expected to begin November 2010 with the full program to launch early 2011. You may visit www.ISM.ws for exam specifications or to register to receive e-mail updates. We will also keep you up-to-date on our website.

Welcome to Buylines!

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become familiar with the documents and forms necessary for International shipments. The Dinner presentation will help us understand the steps in freight movement. Please make time to come to this informative program — and bring a friend!

Our November Meeting will be our 'Bring Your Execu-

tive" night and the topic will be the Demand Side of Energy presented by Mr. Simsic of Goodrich.

If you would like to be part of *Buylines*, please email buylines@pmac.org. We would love to hear from you!

Amy Gress, Editor

Reminder!

In October, we will start to remind you about our upcoming Membership Dues Campaign. We ask that you not only renew your own membership, but also ask a friend to join you! Please watch the website for details!

Thank you!
Sandi Keske, Treasurer

Buylines is the official publication of the Purchasing Management Association of Cleveland, an affiliate of the Institute for Supply Management

SRM—What Is It and Should You Have Program

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"SRM is about the need to rigorously analyze when and how to leverage suppliers' assets, capabilities and knowledge as a source of competitive advantage; and the resultant need to view and manage supplier relationships as a strategic asset, as opposed to merely a cost center."

The importance of establishing this relationship with our supplier partners became very evident over the past 24 months. The economic downturn and the response in the supply chain caused many organizations to change their business model and procurement strategies. Frankly, if your organization didn't make changes, the struggles of the past 24 months may have been insurmountable. Raw material availability was affected, lead times were extended, transportation cost skyrocketed and the number of orders declined.

During times such as these, principals often looked to the supply chain to drive cost down, reduce inventories, lower our TCO (total cost of ownership) and yet maintain enough material to fill each and every order quicker and faster that we have before. If you had deep rooted relationships with your existing supplier base, you were better able to meet the demand. However if you had not spent the time and energy building those relationships, you may have experienced issues meeting these objectives.

Developing and implementing a SRM program takes commitment from the top of an organization, down. It's vital to the success of your program that each stake holder within your organization understands what YOUR program is and how it will affect them personally as well as the effect on the organization as a whole.

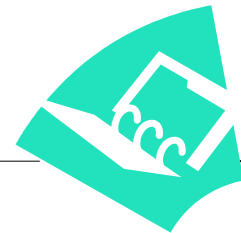
A well defined SRM program will require additional effort on the front end, but will yield tangible long term results. You will improve your supplier relationships, lower your TCO and establish a platform for long term sustainable growth.

In our next edition of *Buylines*, we will look at the key components of a well defined Supplier Relationship Management program.

Kevin S. Fox, C.P.S.M.

Contributing Staff

Kevin will run a series of articles this year for *Buylines*. He is the President of The Fox Group. He can be reached at theFOXgrp@gmail.com



“Throw Back” PMAC Quiz—Test your Knowledge!

Many members have said that they loved the Purchasing Quiz. Our thanks and recognition still goes to Shelia Petcavage who originally wrote the quiz for *Buylines* in April 2005. Good Luck!

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1. Carrying additional inventory can be justified for all of the following except?

- a) Continuity of supply
- b) Taking advantage of quantity discounts
- c) Anticipating a spike in demand
- d) Covering for supplier's lack of quality

~~~~~

2. All of the following can be bene-

fits from simplifying your product design except?

- a) Lower finished goods inventory
- b) Fewer items processed and stocked
- c) Lower inventory administrative costs
- d) Fewer transactions to maintain inventory

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3. An unethical activity that buyers are most commonly involved in is \_\_\_\_\_.

- a) Soliciting bids for large quantities when placing small orders.
- b) Activities resulting in a conflict of interest
- c) Accepting gifts and favors from a supplier

d) Taking bribes from suppliers

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4. All of the following scenarios would render a contract void, except if _____.

- a) The contract is for an illegal purpose
- b) The contract is the result of coercion
- c) The main objective of the contract is legal, but some terms within the contract are not
- d) One or both parties are acting outside of their authority

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Answers on Page 4



**The Purchasing Management Association of Cleveland (PMAC) exists to provide value, leadership opportunities and education while promoting a higher level of performance for Purchasing and Supply Chain Management professionals.**

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 Phone: 216-521-6276  
 email: info@pmac.org



## Volunteer Opportunities

Committee service is a great way to add value to your professional credentials and build a strong network of contacts. This provides skills invaluable to your job, providing an opportunity to distinguish yourself within your company as a demonstrated leader committed to your profession. This is an excellent opportunity to become involved in your Association as we endeavor to provide increasing value to our membership. Those who have served in the past can attest to an experience of personal growth and satisfaction through committee service providing camaraderie, the interchange of ideas, and the opportunity to network with your counterparts from a diverse mix of organizations throughout Northeastern Ohio. Committee service will also be rewarded with Continuing Education Hours (CEH's) that are an essential part of your certification program.

There are many opportunities to get involved with our organization. Please contact any board member or [info@pmac.org](mailto:info@pmac.org) with your talent and we will find a job for you!

## Purchasing Quiz Answers

**1. D)** Covering for a supplier's lack of quality.

We can no more afford to carry extra inventory as carrying a supplier whose quality is not at the required level.

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2. A) Lower finished goods inventory. With product simplification the intent is to reduce the cost of the pieces going into the finished goods, not the level of goods produced for sale.

~~~~~

**3. C)** Accepting gifts and favors from suppliers.

~~~~~

4. C) The main objective of the contract is legal, but some terms within the contract are not for legal purpose. This may or may not render the contract void.

Source: Purchasing and Supply Chain Management by Monczka, Trent, and Handfield

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### How did you do?

4 out of 4: Fantastic!

3 out of 4: Nice Job!

2 out of 4: Might need to brush up!

1 out of 4: Tomorrow is another day!



## Upcoming Dates and Events (as currently scheduled)

| January 20, 2011                    | February 17, 2011                   | March 17, 2011                            | April 21, 2011                     | May 19, 2011                              |
|-------------------------------------|-------------------------------------|-------------------------------------------|------------------------------------|-------------------------------------------|
| Forum:<br>Project Management        | Forum:<br>Engineering the Economy   | Forum:<br>TCO Challenges                  | <b>TradeShow!</b>                  | Forum:<br>Leveraging Sourcing Consortia   |
| Dinner Topic:<br>Supplier Diversity | Dinner Topic:<br>Strategic Sourcing | Dinner Topic:<br>Collaborating with Sales | Dinner Topic:<br>Social Networking | Dinner Topic:<br>Cuyahoga County Sourcing |