



ALASKAN PURCHASER

www.napmalaska.org



March 2015

Greenspeak

By: Robert B. Handfield, Ph.D.

“Green” purchasing requires purchasing and suppliers to work together as a team.

Environmental merit of a product will be weighed equally with price, quality, and availability in the purchasing decision. While “perfectly green” products may not be available in all aspects, it is our aim that each and every purchase have the least negative impact on the environment.

Preferential treatment may be offered to companies which actively source and offer ecologically sensitive product lines, are responsible to our requests, and practice good environmental stewardship. Conversely, hotels reserve the right to reduce the size of orders given to, or eliminate from the bidding process entirely, any company which fails to address these concerns. Claims such as “Green,” “Biodegradable,” “Natural,” and “Recycled” need to be substantiated with the initial bid.

The preceding is an excerpt taken from Joel Makower’s book, *Beyond the Bottom Line: Putting Social Responsibility to Work for Your Business and the World*, (1994). This is part of a letter sent to suppliers by Fred G. Poelen, executive vice president, North America, for Inter Continental Hotels, and David Thorn, the environmental chairperson, North America, for the 100-hotel chain. Included with this letter was a supplier questionnaire and a copy of the company’s environmental purchasing specifications. The letter directs the attention of suppliers to the importance of being environmentally responsible.

This is not simply a request but a demand that indicates clearly that being “green” is critical and that this aspect will be considered very strongly when reviewing bids and awarding contracts for future business. In addition, this request is not coming from a company that has been traditionally associated with environmental concerns. Rather it is coming from a profitable and mainstream company, InterContinental Hotels. Finally, and most important, this letter is not unique. Increasingly, “green” purchasing is becoming a fact of life—a trend to be recognized.

What is “green” purchasing? Its part of environmentally conscious management, which can be defined as a system that integrates product and process design issues with the issues of manufacturing production planning and control and supply chain management. Green purchasing identifies, quantifies, assesses, and manages the flow of environmental waste with the goal of reducing and ultimately minimizing its impact on the environmental while also trying to manage resource efficiency.

A different and new image of “green” purchasing has emerged—one which is cost and strategy-driven, economically justified and integrated with corporate and product/process decisions. This movement is not limited to large companies alone. Small companies are also actively working with their suppliers to ensure that the goods and services provided by the suppliers are environmentally friendly both in content and in the process by which they were produced.

THURSDAY 5 MARCH 2015

**NAPM-ALASKA
PRO D MEETING**

See Page 5 For More Information

TIME: 5:30 p.m. Networking / 6:00 p.m.

Cost \$28.00* Includes Dinner.

VISA and MasterCard Accepted

No-Shows Billed

**Location: Coast International Inn,
3450 Aviation Avenue. Anchorage Alaska**

RESERVATIONS REQUIRED

Contact- Pamela Iverson

email: napmprod@gmail.com

no later than 5 P.M. on Wednesday 3/4/2015

Purchaser and Supplier Green Efforts in Action

Corporate supplier selection performance systems generally assess quality, cost, service, and delivery. However, many leading-edge companies are now considering their suppliers environmental record as a key determinant of performance. In addition, suppliers in such companies are being selected also for their own environmentally friendly practices, including their sources of raw materials, as well as the methods by which they dispose of scrap and surplus, how they reduce surplus packaging, their actions to reduce fuel usage, and whether they using environmentally friendly practices to lower their cost of materials.

Finding the “Greenest” Suppliers

A key element of evaluation involves understanding and assessing the environmental risk associated with the particular chemical being purchased. For example, Midland, Michigan-based Dow Chemical also considers environmental concerns as an important feature of their supplier selection program. As a member of the Chemical Manufacturers Association, Dow is a participant in the “responsible care” program initiative. Responsible care involves a dedication to responsibility regarding the community’s concerns regarding chemicals, including their manufacture, transportation, and use, as well as safe disposal, health and safety, prompt reporting, and counseling of customers.

Environmental risk is assessed by analysis of the quality of the item. Different purity levels will result in different waste considerations. For example, limestone has a low risk, but titanium dioxide has a very high risk. Dow looks for suppliers that are green according to industry standards. Supplier evaluation involves assessing the environmental policies of suppliers (primarily other major chemical companies). Ask the following questions about your suppliers:

- Are their costs out of line, signifying that they have had to pay environmental clean up fines in the past?
- Is the supplier in danger of being shut down by the government because of environmental violations?
- Are they a healthy company, and what is their employee exposure and safety records?

Supplier selection is also important when raw materials are being purchased for the research function. The specifications for the item often originate from the business strategy, purchasing’s role is to assess available source of supply and provide a supply strategy. One criterion of this strategy is to evaluate the supplier’s capabilities regarding distribution, safety, incidents, health records, and adherence to responsible care. Generally only suppliers who are signatories to responsible care will be considered. If not, they are viewed on an exception basis—will the supplier subscribe in the future? Other questions address who moves

Product. The supplier will be allowed to move the product if they are considered safe. Otherwise, Dow has their own group of contract carriers to carry out this function. To sum it up, price is not the only factor to consider if purchasing is dealing with hazardous material. The cost of litigation and cleanup of a spill or accident will far surpass the pennies saved per pound of material.

Guidelines for Going Green

Managers recognize that purchasing green is not only good for the environmental but also very healthy for the bottom line. To purchase green, purchasers and suppliers must actively work as a team—not as adversaries to draw on each other’s skills and knowledge. The following guidelines can help purchasers and suppliers work together toward fulfilling environmental goals.

- Have clear, feasible objectives for your organization and for your suppliers that can be measured and captured in quantitative, meaningful terms.
- Measure green purchasing and supplier performance using well-understood, quantitative measures.
- Communicate all successes internally and also with your suppliers through e-mail, newsletters, and periodic meetings.
- Expect that both sides will make mistakes but learn from them.
- Be consistent with your suppliers in your pursuit of green purchasing.
- Try to link green purchasing with the four strategic dimensions of supplier performance; cost, quality, lead times and flexibility.
- Emphasize teamwork and team building structures that bring together suppliers, manufacturing, design engineers, marketing and purchasing.
- Recognize the importance of design in terms of the effective achievement of green purchasing objectives.
- Recognize the breadth of opportunities for green purchasing: that is, green purchasing can be achieved by relying on options such as reducing waste, recycling, remanufacturing, prolonging use of the product, reducing the environmental costs created by the use of the product, rebuilding, reverse marketing (creating demand for waste or pollution), and substitution.
- Don’t ask your supplier to do anything that you or your organization are not willing to do.
- Do not, if possible solely market green purchasing as a “green” activity since this is a kiss of death in many firms; rather, market green purchasing as cost-or-quality-driven and measured.

Keep in mind that buy-in from management of both your organization and the supplier’s is essential to making the program work.

PRESIDENT MARIANNE BECKHAM

March brings more daylight, warmer temperatures, and the promise of spring. It's also Supply Chain Management month when professionals around the world — regardless of job title, organization role or ISM membership status—can play an important role in promoting supply chain management. Supply Chain Management Month is a perfect time to celebrate...and to educate others about who we are and what we do.

As many of you, I make a point of reading multiple trade journals, business publications, books, and articles dealing with the Supply Chain profession and business in general. Recently I ran across an article clipped from a Costco Connection magazine and since the Supply Management field is constantly evolving and changing, I believe it remains relevant to us today.

ACCEPT THE CHANGE

Wally Amos: Be Positive

“An interesting thing about change is that once it happens, your best option is to accept it. You cannot undo it. I am speaking from experience. You cannot wish things would be like they were. Getting angry is a complete waste of time. You will only grow old wishing things were different. The sooner you accept the change you are cursing, the quicker you can enjoy the great results of the changed experience.

As with most life experiences, you have many options. The sooner you settle down and evaluate which of your new options are the best, the sooner you can move to a new plateau.

My experience has been that the new results are always so much better than what you had before. You wonder what took you so long to accept the changed conditions. I believe it is the desire to always be in control, to be right, that keeps us from accepting change. I was a control freak until I saw the following quote:

“For peace of mind, give up being the general manager of the Universe.”

Can you identify with that? Years ago I decided my single goal in life was peace of mind. My experiences have demonstrated that the best route to peace of mind is accepting change. I did not say managing change. You must accept change. If you continue your feeble attempts to manage change, someone will ultimately scrape you off the floor and make the announcement: “Ladies and gentleman, change has just won another battle.”

People, give it up please! Do not be another victim of stubbornness. Accept the inevitable. Everything must change!”

*By Wally Amos, founder of Wamos Cookies
Reprinted with permission from the Costco Connection and
Wally Amos, author*

Remember to complete the membership survey which you will be receiving the link to shortly. Your feedback is solicited to help keep NAPM-AK crisp and responsive to its members needs.

Respectfully,

Marianne Beckham, President

MEMBERSHIP SURVEY

The NAPM Alaska Board of Directors values our members and is interested in your feedback in order to better serve you.

We invite you to participate in an anonymous survey created by the Board of Directors and administered through Survey Monkey.

The NAPM Alaska survey link will be e-mailed to your e-mail address on file. If you did not receive the link and you are interested in taking the survey, please contact the Director of Communications.

The survey will be available from February 25—March 9, 2015. Thank you in advance for helping us improve YOUR affiliate.

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PAST PRESIDENT

MARLYS HAGEN, CPM, CPPB, CPPO

I can't believe Fur Rendezvous is here and the Iditarod is just around the corner as well. These events typically signal that winter is on the downhill side, but this year I don't know what it indicates considering our weird weather, but the good part is the days are getting noticeably longer.

Following is a list of the open board positions, the incumbents, and the candidates, as it stands as I wrote this. We will accept nominations from the floor at the March Pro-D meeting and finalize the slate of candidates, and we will have elections at the April meeting. We will do the installation of officers at our May Pro-D meeting. Please note that just because there is a candidates name indicated, that doesn't mean that other board members shouldn't run.

| Office | Incumbent | Candidate(s) |
|---------------------------|--------------------|--------------------|
| Past President | Marlys Hagen | Ben Milam |
| President | Marianne Beckham | Marlys Hagen |
| Vice President | Jule Magee | Annie Messer |
| Secretary | Jerod Rennie | |
| Director of Communication | Angie Middleton | Yulia Mukhina |
| Director of Education | Ben Milam | Jared Rennie |
| Director of Membership | Ward Wells | Ward Wells |
| Director at Large | Carol Geiger | Carol Geiger |
| Director at Large | Mary Beth Overturf | Mary Beth Overturf |
| Director at Large | Suzanne Collier | |
| Director at Large | Roxanne Peter | |

Northwest Purchasing Education Council

No NPEC board meetings have been held in the last month. We will have one coming up in March or April. I do want to remind everyone to get the Pacific Northwest Purchasing Conference to be held in the Portland/Vancouver area October 26-28, 2015 in your budget for this fall if you haven't already.

Have a good month. Happy St. Patrick's Day!

DIRECTOR OF EDUCATION BEN MILAM, CPPM, C.P.M.

I had the opportunity to attend a breakfast last week with UAA President Pat Gamble and Chancellor Tom Case. The purpose of the meeting was to inform advisory board members about the financial situation being faced by the University. While it is clear that major cuts will be required to compensate for a \$43 million shortfall, both the President and the Chancellor stressed "The sky is not falling; we will get through this." I mention that phrase because it is almost the same phrase used during our economic forecast presented last meeting by Dr. Mouhcine Guettaibi.

While low oil prices are the major culprit for the State's economic woes, Alaska still receives significant funding from other sources. Capital funding for construction should offer some stability since those funds normally span a 5 year period from receipt to closeout and healthcare continues to expand on its own. Dr. Guettaibi stressed this is not like the 1985 crash; we are in a much better position today to endure a slowdown. It all sounds very complicated to me, but I trust we have highly qualified folk at the University and the State to help us through. Thanks to Dr. Guettaibi for a fantastic presentation.

PRO-D MEETING AND DINNER; MARCH 5, 2015, "THE EVOLUTION OF LEADERSHIP: WHERE ITS BEEN AND WHAT MANAGERS NEED TO KNOW". Leadership keeps changing. World events, the economy, and social change makes people think differently about what leadership is and what we as individuals need to work on to improve our own ability to lead. In this presentation, international speaker David Rabiner will talk about what leadership looks like today, how it impacts procurement professionals, what it means to those in the public sector, and why it is important that we all focus on our leadership now.

NATIONAL SUPPLY CHAIN MANAGEMENT MONTH. March has historically been recognized as National Purchasing Month, now SCM Month. NAPM Alaska has historically used this opportunity to recognize all of our members holding a current ISM Certification. We will continue that tradition at our March meeting as we recognize all those with Professional certification. Those who receive ISM certification during the past year will receive the traditional gift (specially designed mug or other gifts as approved by the Board of Directors).



SPRING SEMINAR FOR MARCH 5 & 6, 2015, "PERSONAL AND LEADERSHIP SKILLS PROCUREMENT PROFESSIONALS NEED TO KNOW"

I have been organizing seminars for NAPM a long time and David Rabiner was my first sold out session. David is a great speaker, knowledgeable and funny. I guarantee you will not be bored for this two day seminar. See attached flyer.

CPSM CERTIFICATION BOOT CAMP

Schedule your test now! You spent a lot of money on training. Don't let it go to waste.

CPSM CERTIFICATION BOOT CAMP #2

Mark your calendar! We now have a second CPSM Certification Boot Camp scheduled for August 13, 14 & 15. NOTE: Use code on the attached flyer to get discounted price (prior version had an error).

LAST DAY TO REGISTER FOR CPSM BRIDGE EXAM

was December 31, 2014. It's too late now to register, but for those that did you have one year from the date you registered to complete the bridge exam. Don't wait until the last minute. Make sure you have time to reschedule just in case you are not successful on the first try. You must complete testing within one year you have left.

ISM MAGAZINE. It has come to our attention that one of our members has not been receiving the ISM magazine Inside Supply Management due to an administrative error at ISM. Hopefully that was the only person affected, but if you are not receiving the magazine, please let us know. The magazine is a valuable part of your membership.

NAPM ALASKA SCHOLARSHIP. NAPM Alaska proudly sponsors two scholarships per year for students pursuing a program of study in logistics at the University of Alaska, Anchorage. Recipients are not required to be members of NAPM Alaska. Please pass this information to friends and coworkers that may benefit from this scholarship. Additional information is available on our website and through the UAA Financial Aid office.

Ben

March 2015



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WHAT'S HAPPENING!

**THURSDAY,
5 MARCH 2015**

**PRO-D MEETING
"THE EVOLUTION OF
LEADERSHIP"**

**COAST INTERNATIONAL INN
ANCHORAGE, ALASKA**

WHAT'S INSIDE

PAGE 1/2 GREENSPEAK

PAGE 3 PRESIDENT'S MESSAGE

PAGE 4 PAST PRESIDENT

PAGE 5 EDUCATION NEWS

The Alaskan Purchaser is published monthly (September to May) by NAPM-Alaska, Inc., an educational organization committed to providing purchasing and material management practitioners the opportunity to enhance their professional skills and knowledge. If you have an item you would like to contribute to the newsletter, please contact:

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