
REVIEW

MARCH 2000

About the Topic

Contractors Millennium 2000

How does your company select a contractor? What criteria is used to make sure they meet your standards? Mr. Douglas will review the key elements to consider when selecting a contractor including bonds, liability insurance, workers' compensation coverage, labor complaints, financial fraud, permit coverage, reliable reference checks, and more. He will also review the resources you can use to find updated information on a particular contractor's work history and performance.

Contractors Millennium 2000 is an initiative of the Contractors Information Bureau and the construction industry to enhance the industry's collective image. The Contractors Information Bureau is a central reference point for construction contractor information and services.

Directions to the Dinner Meeting are located on the back of this newsletter

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MARCH DINNER MEETING

TUESDAY, MARCH 14, 2000

Registration: 5:30 p.m. - 6:00 p.m.
Dinner & Program: 6:00 - 8:00 p.m.

Earn one continuing education hour for attending the program

LOCATION

Shenanigan's Banquet Facilities • 4575 N. Channel, Portland, OR

DINNER MENU

Shrimp Scampi Brochette w/Lemon Cream Pie
Dietary substitutions can be made with 24 hours notice

COST

Dinner: \$26.00 (\$11.00 student members)
*Note: Full refund cancellations are accepted on or before
March 10, 2000*
Visa/MC/AMEX accepted

RSVP REQUIRED

Call the NAPM-Oregon office at 503.253.0253, fax 503.253.9172
or e-mail napmoreg@teleport.com

SPEAKER

Rasta K. Douglas Walid

Ras Douglas is the President and the co-founder of the Contractors Information Bureau, the nation's experts on contractor research. Born in Portland, Oregon, Ras has over 15 years of experience in the construction industry and has a natural discipline and talent for research. Contractors Information Bureau is featured in the March 2000 *Daily Journal of Commerce Magazine*, professionals edition.

Please Note

The PSU Supply & Logistics Student resume book is now available. Please call Lee Buddress at 503.725.4769 for more information.

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NORTHWEST PURCHASING REVIEW MARCH 2000 VOLUME VIII, NO. 3

Northwest Purchasing Review is published monthly (September to May) by NAPM-Oregon, Inc., an educational organization formed in 1920 that is committed to providing purchasing and materials management practitioners the opportunity to enhance their professional skills and knowledge. If you have an item that you would like to contribute, please send it to:

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Editor—Communications Committee

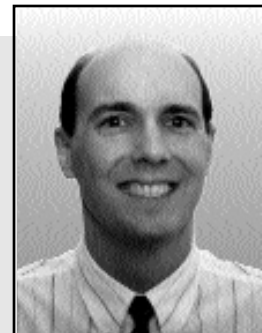
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PRESIDENT'S MESSAGE

By Daniel M. Knauss, C.P.M.



Purchasing Month is an opportunity to show business leaders, government officials, and the general public the value that you as purchasers and supply management professionals bring through your skills and knowledge. March 2000 marks such an opportunity. The month marks a significant event for NAPM-Oregon, Inc. and other purchasing associations across the country and around the world.

Purchasing Month is an opportunity for our affiliate and NAPM to "blow their own horn" to let businesses, governments, media, and the general public in on what the purchasing and supply management profession does and how it contributes to an organization's overall strategic operations.

Many times we, as purchasing and supply management professionals, think that we don't need to promote ourselves, because we assume everyone knows what we do. However, that is not always the case. We need to continually show our organizations, business leaders, the media, and others the value we bring through our skills and knowledge. If we don't, no one else will! Purchasing Month is one more tool used toward educating and informing the business community and government about the purchasing and supply management profession and its influence within organizations. I hope that you will share in and participate with us in the promotion of our profession.

By now you may be aware that the proposed NAPM Bylaws voted on by each affiliate have passed. There were 25,549 "yes" votes and 18,295 "no" votes recorded with 100 abstentions. The NAPM regular voting mem-

bership was 46,609. A quorum would have been 23,305, a majority of the total membership of NAPM at the time that the ballots went out. The total number of members represented was 43,944 (94.3%). To gain additional information and a complete report on this subject, go to the NAPM website at www.napm.org. The District Council will be convening in mid-March to discuss the changes that will be forthcoming due to the Bylaws revisions. I will report on the discussion in the April edition of this publication.

Those of you who have logged onto the NAPM-Oregon web site have noticed that the information contained there is slightly out of date. Our web site is in the process of undergoing a complete makeover. David Stark and Leslie Champion, along with the Communications Committee, have been working extremely hard with a web site contractor to provide a site that will be a beneficial tool for our membership. Look for an announcement on the new web site in the near future. A special thanks to David, Leslie and the Communications Committee for their dedication to this project!

Once again, I urge you to take a moment to review the educational opportunities that our Education Committee has made available to you over the next few months. The seminars offer a high quality of training and are very beneficial to continuing development in the professional purchasing and supply management field.

I look forward to seeing you again at our upcoming dinner meeting on March 14th at

A.P.P. & C.P.M. FREQUENTLY ASKED QUESTIONS

Editor's Note: NAPM does not offer a step-by-step approach on taking the A.P.P. & C.P.M. tests. Therefore, NAPM-Oregon has attempted to compile a simple guide to the steps in the process. Since NAPM-Oregon does not administer this program, it is essential for you to check with NAPM-National for any updates to the program.

What is an A.P.P. or a C.P.M.?

The A.P.P. or Accredited Purchasing Practitioner program is designed for entry-level buyers primarily engaged in the tactical or operational side of purchasing and supply management. Requirements to become a A.P.P. include two years of professional work experience, or an associate's degree from an accredited institution and one year of professional experience plus passage of a subset of the C.P.M. examination, namely Module 1 - Purchasing and

Sourcing and Module 4 - Critical Issues in Supply Chain Management. The A.P.P. is often used as a preliminary step toward attaining the C.P.M.

The C.P.M. or Certified Purchasing Manager designation focuses on the managerial, administrative, strategic, and tactical aspects of the purchasing and supply management function. Requirements to become a C.P.M. include passage of all four modules of the examination: Module 1 - Purchasing & Sourcing; Module 2 - Management; Module 3 - Supply; and Module 4 - Critical Issues in Supply Chain Management. In addition, you must have five years of full-time professional purchasing and supply management experience or have a four-year degree and three years of full-time professional purchasing and supply management experience.

How can I prepare for the test?

Study materials are available from NAPM by calling their toll-free number at 1.800.888.6276 or at their web site at www.napm.org. From study guides, videos, a self study correspondence course, and computer based testing programs, NAPM offers quality programming as you prepare for this great achievement.

In addition, NAPM-Oregon offers test preparation classes on each module annually. Modules 1 and 4 are typically offered in the fall and modules 2 and 3 are offered in the spring. Call the NAPM-Oregon office for additional details.

How do I sign up to take the test?

You must sign-up to take the test through NAPM-National. Registration forms are available on the

Continued on page 5

Economic Report JANUARY 2000

BUSINESS SURVEY COMMITTEE

By Alan Raedels, Ph.D., C.P.M., Portland State University

The Economic Activity Report is also available on the world wide web at: <http://www.sba.pdx.edu/faculty/alanra/araccess/oregon.htm>

The NAPM-Oregon Industrial Index declined in January to 6.8% from 40.5% in December. The Wood Products and Paper Index decreased to 22.4%, the Metals Index fell to -44.2%, the Electronics sector was negative with an Index of -22.2%, and the Equipment Index improved again to 14.8%. The outlook for February is for the Industrial Index to decline again.

The Production Index slowed to 9.9% in January, down from December's 69.0%. The Index was positive and lower in the Wood Products and Paper and

Equipment sectors and negative and lower in the Electronics and Metals sectors.

Production

The New Orders Index was also lower in January at 10.3% compared to December's 69.2%. The New Orders Index was negative and lower in the Metals and Electronics sectors, negative and higher in the Equipment sector, and positive and lower in the Wood Products and Paper sector.

The Supplier Performance Index was lower in January at 5.3% compared to December's 9.3%. The Index was positive and

unchanged or lower in all sectors.

The Price Index fell to 13.2% in January compared to 24.9% in December.

Wholesale

The NAPM-Oregon Wholesale Index fell to -4.9% in January from 30.9% in December. The Sales, New Orders, Purchases, and Lead Time Indexes were positive and lower in January. The Employment Index was negative and lower in January while the Price and Supplier Performance Indexes were positive and higher. The February outlook is for the Wholesale Index to decline.

TRAINING THE 900 POUND GORILLA

By Glenn Houtary, C.P.M.

Working with an MRP II system is like training a 900 pound gorilla - so powerful it can knock you and your vendor down in one swift stroke. Or it can lift you up and bring you down hard. It can squeeze you like a ripe banana and jump up and down on you with one quick move. It is a wild beast that must be trained to become your best friend and loyal servant. This training can be a risky endeavor and requires hard work, but it is well worth the effort when all is running smoothly.

Here are some strategies to get the most from your system:

- Take time to understand the logic and nature of your system. Understand your role in making it work for you.
- Use the most effective words and commands to direct it's next move. Know when to stop and try something different. Sometimes it's better to use an alternate method or system. Like the gorilla, the MRP II system is best suited for certain environments. Feed the system accurate and timely information. You've heard the saying "garbage in, gorilla out."
- Communicate and repeat successes. Just like a well-trained gorilla, a smooth running MRP II system requires continuous feedback to repeat acts efficiently and accurately.

Half Page Ad

As a principal trainer, it's your responsibility to communicate clearly and consistently with your gorilla, as well as your fellow trainers. The effectiveness of your relationship with the MRP II system depends largely on how you work with it. And remember, like the gorilla, the MRP II system can be your best friend or your worst enemy.

To learn more about getting the best from your MRP II system, plan to attend NAPM-O's upcoming Purchase Planning seminar on March 9, 2000 or pick up an APICS class schedule. If you're a mighty adventurer, you can always brave the jungles of Africa.

C.P.M. AND A.P.P. NEWS

NAPM-Oregon extends its congratulations to the following Certified Purchasing Managers who, through hard work and long hours, have obtained certification or recertification.

Glenn Houtary C.P.M.
(Original)

Robert Rusunen, C.P.M.
(Recertification)

Ed Taylor, C.P.M.
(Original)

NAPM web site, at www.napm.org through NAPM-Oregon at 503.253.0253 or by calling NAPM direct at 1.800.888.6276.

NAPM provides candidates four options to take the examinations, a computer test and three written methods.

The computer tests are administered through Sylvan Prometric and the written examinations are available at the following NAPM forums:

1. NAPM Annual International Purchasing Conference

NAPM provides a written exam each year prior to the start of the international conference.

Registration information is included in the conference registration brochure (usually available in December the year preceding the conference).

2. NAPM Districts

Watch for dates and cities to be announced in *PurchasingToday*®, affiliate newsletters, *Newsline*, and other information sources.

3. Onsite

Onsite written exams can be arranged for companies, associations, affiliates, and districts. With a minimum of at least 100 modules.

How do I register?

Your completed registration form with credit card information can be faxed to 602.752.2299 or mail your completed registration form with check or credit card information to NAPM Exam Registration, P.O. Box 22160, Tempe, AZ 85285-2160. You can also call the NAPM Customer Service Department at 800.888.6276 or 602.752.6276, extension 401 to register, but please have your credit card number ready for payment.

Registrations for the computer test received by phone will receive verbal confirmation of the "800" number and instructions. Registrations for the computer test received by NAPM via mail or facsimile will

receive a confirmation letter containing the following:

1. The Sylvan registrar "800" number to schedule an appointment and your candidate ID number.
2. Instructions for items to take to the exam.

Please note: Confirmations to take the written test will only be confirmed if a self addressed, stamped envelope accompanies your registration.

Where do I take the computer test?

Once you have registered with NAPM, call the Sylvan registrar "800" number between the hours of 8:00 a.m. - 10:00 p.m., Monday through Thursday, 8:00 a.m. - 8:00 p.m., Friday or 8:00 a.m. - 4:00 p.m., Saturday, Eastern Standard Time. Sylvan requires 48 hours lead-time for making an appointment through the National Registration Center number. (48 hours means that an appointment made on Monday before noon cannot be for a date earlier than Thursday.)

Sylvan has more than 200 domestic and more than 100 international computer exam cities and countries. Saturday evening or Sunday hours may be available at some locations.

How Are Exam Questions Written?

Exam questions are written by C.P.M.'s with a variety of purchasing and supply backgrounds. All items are reviewed for their efficacy and fairness by committees of purchasing and supply experts.

Consideration is given to the composition of these committees with regard to purchasing and supply practice, gender, and race, as well as the input of educators within the field of purchasing and supply.

How long do I have to wait to retest for a particular module?

NAPM encourages candidates to wait at least 30 days to study before retesting, but you may retest when

you feel ready (based on appointment availability).

I've heard NAPM is offering new revised tests?

The updated C.P.M. Exam and the new A.P.P. exam will be released January 1, 2001. Therefore, the latest changes to the exams will not impact your testing as long as you plan to complete your testing in early 2000. Current study materials will be valid until the new test is offered.

However, beginning January 1, 2001, the modules of the new test will change to purchasing process, supply environment, value enhancement strategies, and management. Therefore, updated study materials are advised if you will be taking the new test.

Once I've passed the test, then what?

You will need to fill out the A.P.P. or C.P.M. Application for Original and Original Lifetime Certification form available from NAPM or NAPM-Oregon, attaching copies of your C.P.M. examination results, letters from employers indicating experience in the industry, a copy of your transcript/diploma, and the applicable fees.

How long does it take to process the application?

There are two types of processing available to applicants. Regular service takes about four weeks after NAPM receives your application and you will be notified by letter the status of your application. For an additional fee, NAPM offers a rush service and will process your application within two working days of receiving your application. You will be notified by telephone of the status of your application.

If you have additional questions about certification, please contact the NAPM certification program at 800.888.6276 ext. 401.

C.P.M. PREPARATION - A REAL-LIFE SCENARIO OF CANDIDATE STUDY DECISIONS

Editor's Note: This article is the first of a three part series. Other real life scenarios will appear in future editions of the Northwest Purchasing Review.

Those interested in taking the C.P.M. exam have a common question, "What should I do to prepare for the exam?" So, NAPM asked Dr. Michael A. McGinnis, C.P.M., A.P.P., to prepare some scenarios based on individuals who have tested. He interviewed six individuals representing a wide cross section of those who hold the C.P.M. They included

men and women, vary widely in age, work in a variety of sectors, are at different levels in their organizations, live throughout the United States, have varied educational backgrounds, and come from different walks of life. Some were actively encouraged to seek certification by their employers and others were self-motivated. Some passed all four modules the first time and others persevered until they achieved their goal.

One thing that stands out in these scenarios is that there are a lot of different approaches for preparing for C.P.M. (and A.P.P.) certification. No one approach is best. No one approach is worst. Each of these individuals followed a strategy that worked for them.

As you read these scenarios in the next couple issues of the *Northwest Purchasing Review*, perhaps you will identify with one or more of these individuals. They are real people. Their names, employers, and locations have been changed. The scenarios are true.

In talking to hundreds of purchasing professionals over the last decade Dr. McGinnis has come to the conclusion that anyone who is competent to successfully hold a professional purchasing position has the mental ability to successfully study for and pass the exam. Many of you know individuals with A.P.P. or C.P.M. who are similar to yourselves. No smarter. No more motivated. No more energetic. No more capable. No harder working. If they can do it so can you.

SCENARIO #1

Joan (not her real name) joined the purchasing staff of a medium-sized chemical plant as a purchasing clerk after graduation from high school. She steadily progressed to

assistant buyer, buyer, and senior buyer over a twenty-five year period. During this time she was active in the local NAPM affiliate, holding a variety of offices including president.

Over time, Joan developed her professional and management skills through a program of self-study, attending NAPM affiliate programs, and employer professional development training. Although she never attended college, her abilities were well recognized within her firm, by her suppliers, and among purchasing professionals in the local NAPM affiliate.

Joan felt that earning the C.P.M. designation would accomplish three objectives. First, it would help her fill in any gaps in her general knowledge of purchasing. Second, earning the C.P.M. designation would document her existing competencies. Finally, Joan felt the C.P.M. designation would provide the credentials that would make her credible as a purchasing manager to the plant staff, suppliers, and corporate management.

Joan attended a one-day C.P.M. Examination Review Course. While the review course helped her develop a study strategy, she said "The lack of access to a C.P.M. Examination Review Course would not have stood in the way of my achieving this important professional goal."

Joan purchased the C.P.M. Study Guide and C.P.M. Diagnostic Kit from NAPM. After making some time management decisions in her private life, she began a systematic program of preparation consisting of 6 to 8 hours of high-quality study time per week. First Joan studied the C.P.M. Study Guide from start to finish. The approach emphasized highlighting key terms and concepts.

Continued on page 7

WELCOME NEW MEMBERS

Linda Andrews
Portland Development Commission

Shelly Grahek
Planar Systems

Kristin Kuhlman
Maxtek Components

Barry Lapp, C.P.M.
Tektronix, Inc.

Cheryle Lee-Salazar
Hewlett-Packard Co.

Cindy Lobdell
YoCream International

Scott Martin
PSU Student

Joyce McGee
Bonneville Power Administration

Kathy Molodih
PSU Student

Randy Ridenhour
Bonneville Power Administration

Kim Schaeffer
Electric Lightwave, Inc.

Michael Schindele
FLIR Systems, Inc.

Cynthia Stephenson
Bonneville Power Administration

Tim Van Kurin
FLIR Systems, Inc.

After about three weeks, Joan took all four modules of the C.P.M. Diagnostic Kit. Her scores on all four modules were below passing. However the Diagnostic Kit provided a lot of useful information for the next phase of her study. First, the Diagnostic Kit taught her much about how the questions on the examination are asked. Second, an examination of the "Explanations to the Answers" at the back of the Diagnostic Kit provided insights into the content of the Study Guide.

Joan then concentrated her efforts on the Study Guide for approximately five more weeks, focusing her efforts on the tasks which the Diagnostic Kit indicated that she was weak while reviewing tasks where her knowledge base was strong.

Joan took all four written modules on the same day. She passed three modules, focused her study efforts on the final module, and passed that module on the second attempt.

Joan credits her success in passing the four C.P.M. modules to 1) the wide range of experience in a variety of purchasing positions at her plant over the years, 2) the coaching and encouragement that she received from supervisors and other purchasing professionals, 3) regular participation in the local NAPM affiliate, 4) a willingness to learn over the years, 5) attendance at NAPM educational events, 6) the decision to make C.P.M. certification a priority, and 7) not letting herself be discouraged by the frustrations that go with the process of study and test taking.

Joan feels that a C.P.M./A.P.P. review course is desirable, but not critical, for successfully preparing for the examination.

NAPM MEMBER PROFILE: ED TAYLOR, C.P.M.



- 1. Where do you work?**
Sulzer Pumps Inc.
- 2. What do they do, briefly?**
Sulzer Pumps is a world-wide manufacturer of engineered industrial pumps for the petroleum and chemical industries.
- 3. How long have you been in purchasing?**
Five years in heavy manufacturing and three years in finished goods distribution.
- 4. Are you a C.P.M. or A.P.P., and if so, for how long? Has it benefited you?**
I just received my notice awarding the C.P.M. certificate on February 8th. I have benefited in many ways already.
- 5. Do you recommend a supplier? Why?**
Portland Valve & Fitting (Swagelok), and Distribution Dynamics. These two companies have grown to meet our system and quality requirements over the past couple of years. The true "win-win" benefit is that their entire customer base has gained from their commitment to continuous improvement and the desire to exceed Sulzer's quality requirements.
- 6. In your career, what has been a beneficial experience?**
 1. Studying under Lee Buddress at Portland State University.
 2. Working with and learning from the many knowledgeable people at Sulzer.
 3. Maintaining a commitment to continuing education.
- 7. What do you do for a five-minute stress reliever?**
To remind myself to not sweat the "small stuff" and that everything is "small stuff." Then get back to being focused, driven, and innovative.
- 8. What is your favorite restaurant in the Portland Metropolitan area?**
Bush Gardens and Rheinlander.
- 9. What is your favorite getaway from Portland?**
Mountain Biking in the Cascades. Lewis River Trail #31 near Mt. Adams.

A big thank you to Ed for his efforts in organizing NAPM-Oregon's participation in Oregon Public Broadcasting's Spring Fundraising Campaign. Tune in to OPB on March 10th to see your colleagues on the air.

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RETURN SERVICE REQUESTED

CALENDAR OF EVENTS

February 2000

29 Seminar: "Applying Project Management in the Work Place"

14 Seminar: "Supplier Selection"
27 Seminar: "How to Develop a Diversity Procurement Program"

30 NAPM 85th Annual International Purchasing Conference

March 2000

9 Seminar: "Purchase Planning"

14 Dinner Meeting "Contractor's Contracts"

24 Seminar: "Essential Electronic Commerce Skills for Purchasing"

May 2000

9 Dinner Meeting "Awards Night/Time Based Management"

11 Seminar: "Cost/Price Analysis"

April 2000

11 Dinner Meeting "E-Commerce"

June 2000

15-16 Seminar: "Basics for Buyers"

Directions to Dinner Meeting:

I-5 Freeway Exit: Take Swan Island Exit #303 and follow the signs to "Swan Island Industrial Park." Once on Going St. get in the left lane as you drive down the hill onto the island...turn left at the stop light before McDonald's (N. Port center)...turn right directly behind McDonald's and proceed through the Ports O'Call parking lot. Shenanigan's green awning is to the left and the Restaurant and Banquet Facility are located in the back of the