Commentary: Paris in Winter

By: Neil Markee
Editor in Chief-Purchasing Link

Recently, in Paris, 200 delegates from many of the planet’s nations—along with probably an equal number of staff, prognosticators, hangers-on, politicians and lobbyists—gathered to consider climate-change issues from an unknowable number of perspectives. The problem seems so simple. Evidence suggests that the planet is warming up slowly, but at a rate a bit faster than the historical norm during the last few thousand years. Scientific study indicates that there have been warming and cooling periods in the archeological history of the globe and no evidence that was about to change. However, those who study such things tell us that part of the increase during the current trend is probably attributable to human activity and thus may, at least in part, be controllable. If it is, they argue, it certainly makes sense for inhabitants likely to be negatively affected to take action to control their contribution to the problem. At that point, the topic becomes what to do—and that has proven to be anything but simple.

On November 29, just two weeks before the scheduled end of the Paris climate confab, the New York Times published an article titled, “Good Intentions Aren’t Enough As Climate Talks Get Underway,” by Justin Gillis. I read his well-reasoned and sobering copy and put it aside to be read again after the dust had settled and the 200-plus delegates had boarded their petro-fuel guzzling jet airliners/biz-jets for home. Using the citation provided you can probably find the article; it’s worth again after the dust had settled and the 200-plus delegates had boarded their petro-fuel guzzling jet airliners/biz-jets for home. Using the citation provided you can probably find the article; it’s worth.

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From the Editor

The popular shorthand title of the issue discussed in Paris recently was once global warming and now it is climate change. Maybe that change has adjusted the focus a bit but the basic question remains: Do you believe it is a major problem or not? And the discussion sometimes sounds as if the decision is faith-based. Last night, in his State of the Union address, President Obama seemingly cut loose the non-believers to go their merry, misguided, irrational way. If he’s correct and the debate is over, the global majority vote is in, and the experts seated in the "academic upper house" have posted their decision, then maybe it’s time to quit preaching to the choir and move on to the next big question: What should we, the residents of this planet, do about it? However, if the media coverage accurately reflected the goings-on in Paris, I think it’s painfully clear that the nations present with the ability to affect the outcome have not placed climate change at the top of their national priority lists. Those decisions are, of course, political, not scientific. The coverage suggests, as you might expect, that national security is at the top of the list in the U.S. and we don’t see climate change as part of that. I read that in India relieving grinding poverty is the top priority—and climate change is way down the list. Continuing their national economic development seems to be the number one issue in China, as they continue to work to regain their footing—and postpone carbon reduction measures for decades. The debate over the use of "shall" versus "should" in the text of the final pact demonstrates nations are not willing to compromise national sovereignty when push comes to shove. Nothing much has changed there.

So what happened in Paris? I think not much, if judged by concrete, visible, game-changing actions. If the decision makers had believed massive change in the world order to save the planet was needed immediately, maybe they would have found it easier to make the tough decisions. But they didn’t. They adopted what might be seen as a watchful-waiting posture. So, where does that leave higher education? Last night, President Obama said the U.S. has led the way in national carbon reduction. We have achieved much without major disruption in our way of living because the many seemingly minor steps taken every day add up. Institutionally, maybe the best course is to continue to be conscious of our contribution to the problem and to actively seek to reduce our carbon production whenever options are available. Maybe we can make a difference.

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A 12/14/15 Wall Street Journal article titled, “Climate Deal Leaves Hard Decisions To Countries,” was reminiscent of recurring empty U.S. presidential budget promises to put in place policies that will deliver balanced budgets in the years after leaving office. Many of the agreements reached in Paris will have to be accomplished by political leaders who have not yet been elected. For example, apparently the framers of the agreements see solar, wind and nuclear sources as eventual major providers of the needed power. “Eventually” may be the key word. Neither of the first two sources is currently capable of replacing fossil fuels any time soon and nuclear is not very popular in the U.S. and much of Europe. The commitments in the basic agreement are voluntary, not binding, partially at the insistence of the U.S. delegation unwilling to agree to actions not approved by U.S. voters. Among these actions is for the developed nations to provide $100 billion annually to help the still-developing countries cut their emissions. An article published in the 12/10/15 issue of the New York Times titled, “As West Passes Hat at Climate talks, China Clings to Developing-Nation Status,” by Keith Bradsher and Coral Davenport, noted that Secretary Kerry had indicated that the U.S had upped its commitment to $860 million from $430 million, subject to congressional authorization. Overall, it's hard not to conclude that the delegates talked about the tough issues and envisioned possible courses of action but, understandably, I don’t think they made any tough decisions that were binding on the signatories. Countries don’t walk away from sovereignty that casually.

And speaking of key players, “At the climate talks in Paris, India’s negotiators have staked out an adamant position: while India is vulnerable to global warming, raising a vast population out of poverty remains the national priority. The government plans to double use of domestic coal to more than a billion tons in 2019, and maintains that the legal obligation for action on climate change should fall on developed countries, which burned huge amounts of fossil fuels for decades.” That’s a quote from a 12/10/15 New York Times article titled, “For Indians, Smog and Poverty Are Higher Priorities than Paris Talks,” by Ellen Barry. This, of course, means that steps taken by other nations, developed and otherwise, to reduce carbon output could possibly be offset by increases from India. As noted, in the 12/10/15 article by Keith Bradsher and Coral Davenport, China had declined to participate in the $100-billion annual obligation assumed by developed nations, although they have provided large sums of money to developing nations in other cases. Apparently, they were unwilling to be seen as a developed nation in order to avoid greenhouse gas-emission obligations imposed by the earlier Kyoto Protocol. And with that, the world’s two largest nations by population, its largest exporter and second largest economy, had opted out.

And climate change isn’t all that’s on national or international agendas. I doubt that climate change dominates the thinking of many nations or organizations, despite its long-term importance. The list of other important concerns competing for attention and political support is long and compelling. Below I have listed a few that were covered in the national media at roughly the same time as the Paris meeting.

- NYT 12/15/15. A Greek David Lands Some Big Punches-International Economic Concerns
- WSJ 12/10/15. Trump is the Democrats' Dream Candidate-Domestic I Politics
- NYT 12/16/15. WSJ Exposing Soccer’s Murkier Dealings-International Sports
- NYT 11/29/15. With Diversity Comes Intensity in Amherst Free Speech Debate-Constitutional Rights
- NYT 12/15/15. First Officer’s Case Goes to Baltimore Jury-Civil Rights
- NYT 12/16/15. Building a Park in Brooklyn to Sop Up Polluted Waters-The Local Environment
- NYT 12/13/15. The Lie About College Diversity-The Global Face of Student Protests-Higher Education

Although it’s all but impossible to imagine the “unimaginable,” even if the world’s economy could be rebooted with the stroke of a pen, I think the disruption in international relationships would likely lead to an unacceptable level of political chaos or anarchy or whatever until a new order emerges in maybe a century or two. And there could be no guarantee that the emergent order would be more supportive of human habitation on planet earth than the imperfect current arrangement. But to keep on, no known pen is that mighty. So, if blowing the whistle for a face off in neutral territory or ringing up “all stop” onboard the world’s ships of state isn’t in the cards, what are the options? As with most human endeavors, we are obliged to start from where we are. Where we seem to be headed slowly may be the only viable option. Turning this around is going to take a long time and more than one conference in Paris.

I think it has become obvious; there are no quick solutions to the problem and even long-term viable approaches are not obvious. The developed nations seem to be determined to find alternate sources of energy and may have the human and financial resources to do so, given enough time and continuing motivation. But they are not willing to lower the living standards of their citizens. Clearly, we will need innovation and scientific breakthroughs, but those have proven to be hard to legislate so patience will be an important component in finding solutions. Agreeing on political solutions, such as deciding who will pay the costs and where the likely to be displaced people will be relocated, will probably prove to be even more difficult than finding consensus on workable scientific and engineering approaches. Those who pay attention know it took a few centuries to get where we are and remediation will require a long-term effort.
And why should any of this be of concern or even interest to college and university business leaders focused on purchasing in support of higher education or any other business office specialty? As I see it, because they are business leaders, they should/must be willing and able to meaningfully participate in the discussion of the issues that are matters of concern on their campus or within higher education. Some folks see climate change as the most serious issue confronting mankind and maybe it is, in the long term. Along with Times contributor Justin Gillis, I doubt that few of those currently entrusted with the business leadership of higher education will live to see the implementation of mandatory comprehensive effective effort to control climate change, even if that is actually within our grasp. Much more likely, we will have to learn to live with the adverse and perhaps beneficial manifestations of climate change, as we adopt politically acceptable, voluntary changes on a piecemeal basis. On campus, maybe it’s time to begin thinking about how your institution might be effected by climate change over the next few decades and what steps it might take in the future to accommodate the anticipated mid- and long-term changes. What’s happening on your campus?

From the President: Happy Holiday Season!

Lisa Deal, C. P. M.
University of Florida
NAEP President 2016-2016

One of the things we’ve been working on in our office, as part of the journey from strictly transactional to strategic, is to increase the culture of accountability in our office. It is an uncomfortable discussion, because some perceive “accountable” as punitive. I think it is critical to forward progress. In the NAEP Competency Model, accountability appears in the section titled Drive Results. As we worked on achieving results in our office, I realized I was asking a lot, because there is some irony around creating a culture of accountability in a higher education setting.

My dad was a tenured history professor (he never understood how I ended up in Procurement but he enjoyed hearing about it). He was a great teacher, but frankly, I don’t know that he ever met a deadline in his life. When I worked in Contracts & Grants at the University, I can’t tell you how many no-cost extensions I saw (extending grant closing dates) because the research wasn’t complete. I’ve been in meetings where folks like to discuss all the angles of an issue, but no decisions are made. That may work when doing groundbreaking research – in an academic setting, but it doesn’t work in a business or operational setting where we are being asked to deliver results.

So how do we increase the results we get within our offices? At the University of Florida, we work together to set goals, then hold each other accountable for achieving those goals. We work to take action beyond the daily requisitions, phone calls and emails. We meet regularly to discuss goals (make other time for talking about transactions) and are working on creating a dashboard for internal use, to demonstrate progress on goals. We’ve taken training as a team to help us provide feedback to each other so we can stay on track.

I’m looking forward to the NAEP Annual Meeting, May 22-25 in San Antonio, to hear about your journey towards strategic procurement. How’s your progress? What’s working for you? Since Purchasing folks like a good deal, I’ll remind you that early-bird registration saves $100 and is open now. I’m already registered, are you? Looking forward to talking with you.

VOTE! Board of Directors Election is Open through March 1

Your voice counts. The NAEP Board elections are open for 2nd Vice President and for two District Board Members. Electronic ballots must be cast not later than Tuesday, March 1, 2016 at 10 a.m. EST.

Only the designated Member of Record of a Voting Member institution is eligible to cast a ballot in this election, although all employees of a Member institution are entitled to Member privileges. Associate Members and Business Affiliate Members are not eligible to participate.

How to Vote
If you are the main point of contact for your institution, click here to read about the candidates and how to vote.

Note to ALL Members
NAEP conducts elections for Board Members via an electronic voting system accessed by eligible Voting Members through our website. The slate, submitted for Member consideration, was
NAEP’S 95TH ANNUAL MEETING

NAEP’s 95th Annual Meeting will be held May 22-25, 2016 at the San Antonio Grand Hyatt. There are more than 50 educational sessions on the schedule, along with a new keynote speaker every day. Meet and network with 400 of your procurement colleagues from schools large and small, public and private, across the country. There is something for everyone in higher education procurement.

Early-bird Discount Registration Deadline Is April 22

Save $100 off of the standard registration fee when you register by April 22.

- Click here to register and pre-select your preferred sessions.

Hotel Information

Grand Hyatt San Antonio
600 East Market Street
San Antonio, TX 78205

Phone: 210.224.1234 or 1-800 CHECK-IN
NAEP discounted room rate is $189 single/double plus applicable taxes.

- Click here for online hotel reservations

Please book only within the NAEP Annual Conference room block at the Hyatt Regency Atlanta. This will ensure we reach all of our meeting concessions and will allow us to assist you in the event you have challenges with your reservation or room while on-site.

Program-at-a-Glance

Monday, May 23, 7:30 a.m. through Wednesday, May 25, 4:00 p.m.

Review the program to see your many choices and to plan your time efficiently at the meeting.

New: Select Your Session Preferences When You Register

You will now be able to select the workshops and sessions of your choice at the time you register. While you are not locked into attending those early selections, you will be providing us with the information we need to plan and prepare for session spaces accordingly.

Daily Keynote Speakers

Opening Session, Monday: Martha Johnson  
Leadership Resilience

Tuesday: Dr. Cynthia Teniente-Matson  
On the Road from Procurement to President

Wednesday, Closing Session  
Donna Brazile and Cal Thomas  
Election 2016: Point-Counterpoint Debate
Lower Costs for Higher Education: How Freight Management Creates New Savings for Colleges and Universities

By Marc Mullen,
Vice President and General Manager of OptiFreight® Logistics
OptiFreight is a proud Presidential Sponsor of the 2016 NAEP Annual Meeting

Across America, colleges and universities are discovering new and more creative ways to curtail expenses and redirect the savings to what matters most: improving excellence and innovation in higher education. More than the right thing to do, it is essential to success in a highly competitive world.

Indeed, institutions everywhere are on an unsustainable financial path. Costs are rising, while subsidies for public higher education continue to fall. According to a recent study, subsidies have reached a ten-year low. At the same time, students at four-year public institutions are now paying 50 percent or more of the cost of their education, representing an 18 to 22 percent increase from 2001 to 2011.1

Tuition increases aren't a long-term answer. Already, they've far outpaced the rate of inflation and other benchmark measures, such as healthcare costs.1 And while institutions struggle to keep tuition affordable, students and parents demand more value than ever before for their tuition dollars.

The resulting “buyer’s market” is creating unprecedented competition for students among America’s institutions of higher learning. In response, institutions are spending more than ever to compete for students. According to Jessica Matsumori, analyst for Standard and Poor’s Rating Services, “This competitive landscape is beneficial to students, but financially challenging for colleges.”2

There’s mounting pressure to save money by ramping up non-fulltime, non-tenure track faculty models. While treating educators more as a commodity can lead to short-term savings, it may have a longer-term negative impact on the quality of education and therefore an institution’s reputation and ability to compete.

At risk is the quality of higher education itself. But traditional ways to fund excellence are no longer the answer alone. And massive endowments are now the exception, rather than the rule. How can institutions improve their financial performance and compete successfully in this new world?

Colleges and universities can no longer afford to spend money with little or no return on investment. Efficiency and spend analytics are the new best practices, with the goal of controlling costs and redirecting those funds to improve the quality of education.

For years, many institutions have had great success negotiating and managing product prices. But one area that’s ripe with opportunity is often overlooked: freight management. As much as 20 to 40 percent savings3 are possible. When you consider the hundreds of thousands of dollars that a typical institution spends each year on receiving and sending packages, those freight savings can be substantial.

How does freight management work? Consider all of the items that are shipped to your facilities every day, such as textbooks, classroom supplies, capital equipment and more. Now think of all the items that you ship every day to other locations. That’s a lot of shipping—and you might believe when you negotiate prices with your product suppliers that you aren’t paying for freight. But often, shipping costs are bundled into the product price. You might not see what you’re paying for freight, but the charge is there.

And those hidden freight costs can really add up each day, week, month and year. In fact, shipping costs are approximately three to five percent4 of overall product expenses. While it’s not the complete savings solution that institutions need, freight management can play a critical role. And the proof is in the success other industries—such as healthcare—have with incorporating freight management into their overall cost reduction strategies.

How is higher education already taking advantage of freight management? Institutions begin by overcoming the common misconception that manufacturers and suppliers don’t profit from shipping. For some vendors, that may be true. But for others, they’re marking up the cost and creating a source of additional income.

It’s another reason why the right freight management program is an essential cost reduction tool for higher education. By separating product and shipping costs, you know how much you’re paying for each. So you can expose hidden freight costs. That level of transparency gives you more control over your total spend, which can lead to lower costs.
The key to maximum savings is program participation. You’ll want as many vendors as possible using your program every time they ship. Your freight management program should be constantly reminding them to use your program. And, you’ll want to constantly add new vendors—all to ship as many packages as possible through your freight management program. The more you utilize the program, the more you’ll save overall.

The three major advantages of freight management for higher education:
1. Realize new savings, freeing up dollars for key initiatives.
2. Gain greater visibility and control of shipping costs.
3. Increase savings with analytics and reporting insights.

The pressure has never been greater to control costs while competing effectively for students and top educators. The world may be changing, but one essential truth remains the same: visibility and efficiency are the keys to cost savings.

To learn more, register for our webinar: How to reduce your inbound shipping costs, allowing you to invest even more in your students, which will be held February 18 at 1 p.m. EST or visit academic.cardinalhealth.com.

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Registration Open for Supplier Diversity Institute 7/31 - 8/2

**Educate. Empower. Sustain.**

Registration is now open for the 2016 NAEP Supplier Diversity Institute. This popular event will be held in downtown Kansas City, Missouri, July 31 to August 2. Building off of the very successful 2014 institute, the program committee is hard at work preparing a dynamic presentation that will be announced shortly. Regardless of your experience within supplier diversity or the maturity of your diversity program, there will be a session for you. New this year will be exhibit tables where you will have the opportunity to meet with supplier diversity vendors from across the country.

Register now to be in Kansas City this summer. After you register, be sure to make your hotel reservation: **Embassy Suite Kansas City – Plaza.** [Reserve your room online](http://localhost/plink/February2016/index.htm) or call 816.756.1720 and use the Group Code: "NEP." The NAEP discounted room rate is $135.

NAEP Contact: Tori Longo. [tlongo@naepnet.org](mailto:tlongo@naepnet.org), **Phone** 443.219.3617

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Deadline February 19 for Call for Presentations—Supplier Diversity Institute

Submit your presentation proposal for the 2016 Supplier Diversity Institute by February 19, 2016. [Click HERE for application](http://localhost/plink/February2016/index.htm). This institute will explore a variety of sessions addressing educating, empowering, and sustaining Supplier Diversity issues. Sessions will be offered in two tracks, one for relatively new professionals and the second for experienced professionals. The goal is for attendees to walk away with specific approaches and tools to cultivate Supplier Diversity into their campus framework. Our institute participants are eager for engaging and thought-provoking sessions that will advance their knowledge and skills as well as provide new insights.

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Laura Baessler Joins NAEP Board of Directors

The NAEP national Board of Directors is pleased to announce that Laura Baessler from Wilmington College in Ohio has been appointed to the District IV board seat that is currently vacant. She will fill the current unexpired term.

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4. Based on internal Cardinal Health healthcare industry analysis and estimates. Individual savings may vary.
Complimentary Webinars

How To Reduce Your Inbound Shipping Costs
February 18, 2016, 2:00 p.m. EST

Everyday hundreds of packages arrive on your campus, sent directly from suppliers. With each package comes a shipping charge – charges that add up. What if there was a way to reduce the costs of these shipments, freeing up dollars for other key initiatives? Freight management is this solution.

Sign up for our webinar to learn how managing inbound freight can create a new savings opportunity for your university. We’ll introduce you to the basics of freight management, the benefits of these programs and what to look for in a qualified freight management provider.

Click here for the complimentary webinar registration

Supplier Diversity: Partnerships for Success
February 25, 2016, 2:00 pm EST

Learn how the University of Pennsylvania teamed up with Telrose Corp. to create a thriving, more diversified supply chain program. Hear from experts how diversity programs have a significant impact on the growth of local businesses, as well as helping to meet procurement objectives.

Click here for the complimentary webinar registration

NACUBO and NAEP Members Appointed to Spendmetric Steering Committee

NAEP partnered last fall with NACUBO and Spikes Cavell to create a “spendmetric” dashboard that will help a chief business officer effectively use procurement data to strategically help. Our working Steering Committee has now been finalized and will begin meeting regularly. We are excited to announce the committee members and thank them in advance for the hard work currently underway:

• Rick Anderson – Washburn University – NACUBO
• Jim Fisher – Finger Lakes Community College – NACUBO
• Sandy Hicks – University of Colorado – NAEP
• Tom Hoole – UMASS Lowell – NAEP
• Ron Moraski/Meaghan Kraft – RPI – NAEP
• Mike Redmond – California State University System – NACUBO

The Steering Committee is charged with providing guidance on which metrics are most important to their institutions and to higher education as a whole. These include demographic variables, institutional factors that are the most important when choosing similar institutions to benchmark against, as well how to use other important higher education institutional metrics such as admissions rates.

Read more about this project in the upcoming Educational Procurement Journal spring issue, available in late March.

The RFP and Job Description Contest Is Back This Year

The NAEP Job Description and RFP Challenge Contest is back for 2016! New this year, we are holding two separate contests - one for new RFPs and one for new Job Descriptions. Build on our
shared knowledge by adding both to our resource library and compete against your peers from across the country for a chance to win a free registration to the 2017 NAEP Annual Meeting.

Compete against other institutions similar in size (number of Full Time Equivalent Students): Small (100 - 5,000), Medium (5,001 - 10,000) and Large (10,001+). With each unique entry, a ticket will be placed in a drawing held during the 2016 Annual Meeting. For both the Job Description Challenge and the RFP Challenge, a winner from each category will receive a complimentary registration for the 2017 Annual Meeting.

Deadline is March 4th.

- [Submit your Job Description here](#)
- [Submit your RFP here](#)

### 2016 Regional Meetings Calendar

Look how fast January went! It's not too early to give some thought to your travel plans for 2016 because planning early for your Fall Regional Meeting may make all the difference in whether you will actually get there. Take a look at the [Regional Meetings schedule](#) that is posted on our website, put your dates on your calendar now, with a reminder to take action a couple of months earlier. Remember, getting there means getting better and smarter at your job and building your career.

### Quote of the Month

“When the time to perform arrives, the time to prepare has passed.”

--- *Anon*