**Article: What About Protest Divestiture?**
*By Neil Markee, Editor in Chief-Purchasing Link*

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Read Article

**From the President**

**Commentary by Cory Harms**

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– Cory Harms, NAEP President

Read Article

**From the Editor**

Just before we put this month’s posting to bed, an interesting article concerning the future of the coal industry appeared on the front page of the Marketplace section of the June 18, 2014 *Wall Street Journal*. According to John W. Miller's article, "...coal has been shunned by many utilities in recent years because of emission standards that favor cleaner natural gas. " Hydraulic fracturing and horizontal drilling have also produced a glut, lowering its price. "More than a half dozen U.S. coal-mining companies have gone under in the last two years."

Given those quotes, you might conclude that protest divestiture related to coal on campus is a symbolic gesture aimed at the general public as the coal industry received "the message" some time ago. But he also points out that sulfur scrubbers at generating plants combined with very low-cost, high-sulfur, midwestern coal may have breathed new life into the industry. "Energy experts say coal will be used for decades. The commodity accounts for 38% of electricity produced in the U.S. That is expected to fall only a few percentage points over the next decade, despite new environmental regulations." Whistling in the dark maybe, but if he is correct, nothing much is going to change short-term.

Conservation and just about every significant suggested solution are perceived by some group to have a disqualifying downside. A June 12, 2014 article by Robert Bryce in the WSJ concluded that wind power cannot be a substitute for fossil fuels, if for no other reason because it would require too much real estate due to its comparatively low power density. He argued that we would have to cover an area the size of Italy with turbines annually just to accommodate current worldwide growth in demand.

If conservation, wind, hydro, solar, nuclear, geothermal, biomass and fossil fuels are not the answer, what is? Where will power generation be, a decade or two from now? A mix of all or some of the above is most likely. We’ll probably see changes in the consumption and production pie charts as the dominance of fossil fuels (especially coal) continues to decline but, who really knows?

**Commentary: What About Protest Divestiture?**
*By: Neil Markee*

Editor in Chief-Purchasing Link

During several of the workshops at the NAEP Annual Meeting this year, the suggested solution to the challenges on the table included forming partnerships with the suppliers involved. Usually the plan was to combine a better understanding of the supplier's
plants. There really isn't any other short-term option, as fossil fuels power the generation of the majority of electrical power worldwide and coal is the most widely used fuel. Coal has been on the buying electricity from the national grid partially powered or backed up by coal-burning power between themselves and the industry. However, despite the protests, institutions must continue effective bottom-line way to make a statement, hopefully to drive change and perhaps draw a line change hands.

In contrast and on another scale, lately in the media there has been discussion of divestiture, or rather protest divestiture, the publicly trumpeted sale of common stock in selected corporations by institutions to signal their opposition to the policies or actions of the companies involved. In this case, the target is the coal companies who provide the fuel for much of the electrical power drawn by institutions from the national grid. Higher education's suppliers of electrical energy, the power companies who burn the fuel and actually discharge the carbon into the atmosphere, of course also play a key role in the process.

Although most institutions do not deal with coal companies directly they are, in effect, among their major suppliers. Concern with the excessive levels of carbon in the atmosphere (and probably student protests on the ground), has inspired many institutions to consider separating themselves financially from the corporations they hold responsible for discharging too much carbon into the atmosphere, by selling institutional-owned shares of stock in coal companies. I found myself wondering if there was a better way.

Just for perspective, my 1951 vintage Webster's New Collegiate Dictionary (thin paper edition) states that the definition of divest is: "1. To unclothe; to strip, as of clothes, arms, or equipment. 2. To dispossess; as to divest one of his rights. And divestiture is thought to mean the "Act of divesting or state of being divested." Clearly, both my old dictionary and those definitions are obsolete.

Protest divestiture is anything but a routine business transaction. It's meant to be a widely publicized gesture used "to send a message." As it's clear that, as the companies selected had probably received and acknowledged this message some time ago, the intended recipients this time are not just the executives of the companies involved. It's a way to join and influence the public discussion. Public perception is, no doubt, more important than the immediate dollar impact on the coal companies who might at worst see a relatively few shares of their common stock change hands.

The effort is apparently seen by students and others within the academic community as an effective bottom-line way to make a statement, hopefully to drive change and perhaps draw a line between themselves and the industry. However, despite the protests, institutions must continue buying electricity from the national grid partially powered or backed up by coal-burning power plants. There really isn't any other short-term option, as fossil fuels power the generation of the majority of electrical power worldwide and coal is the most widely used fuel. Coal has been on the spot most recently, but the combustion of any fossil fuel contributes to the carbon problem to one extent or another. The focus on coal mining is no doubt meant to encourage power companies to shift to less harmful fossil fuels. But all fossil fuels are the ultimate target.

The protest sale of stock by an institution amounts to saying we no longer want to own a share of your business because we no longer want to be associated with the management of your company. And to accomplish that, they will find a willing buyer at the going price and sell their shares. The stock market will find a buyer who, perhaps, doesn't care as much about the firm's negative effect on the environment or doesn't support the protest approach or isn't paying attention to what higher education is doing. Given the amount of common stock routinely changing hands daily in major industries, the individual transactions of any one typically diversely invested institution themselves will likely have no noticeable immediate effect on the bottom line of the targeted company, unless the seller dumps enough of the corporation's stock to drive down its share price. If any had that level of economic muscle with even one major coal company, a more effective way to bring about change might be to keep and vote their shares. But this protest divestiture has drawn media attention to the problem, and that's probably one of its immediate purposes.

Inevitably, earth's inhabitants will have to find better ways to produce the power needed to prosper short-term and survive long-term by reducing the negative side effects we now recognize and endure. The challenge is to reduce carbon emissions to an acceptable level while at least maintaining living standards. Some believe that the only way to reduce carbon emissions from burning coal and other fossil fuels is to reduce their consumption. Short-term they are probably correct, as we don't seem to have cost-effective carbon scrubber or other alternative available now, other than putting off making the hard choices--and some argue that is not a viable option. A major short-term reduction in power consumption worldwide isn't generally viewed as compatible with maintaining living standards in the US and many other areas and few people believe that a significant worldwide reduction in coal or other fossil fuel production and use is likely any time soon. Given the perceived consequences and global inertia involved, it's hard to disagree.

Recently I read that, "In 2012, the UN Sustainable Development Solutions Network (SDSN) was launched by the UN Secretary-General to help find solutions for some of the world's most pressing environmental, social and economic problems." Their goal is to enlist researchers, industry and
community organizations to develop ways to address the important problems at hand. I'm not suggesting we need UN intervention, but maybe it would be more effective to leave the adversarial picket lines, walk across the street and join a coalition including energy producers, their coal suppliers, and end-users to find ways to reduce carbon emissions mid- or long-term. They all have a major stake in finding a solution. Higher education is well qualified to make a major contribution as collectively, they may own what could be the most powerful research engine in the world. If atmospheric carbon build up is one of our most pressing problems, shouldn't our research effort and spending reflect that conviction?

Becoming known as number one in clean nuclear power, or low-carbon emission coal combustion or hyper-efficient photo electric cells research is not one of the top ten organizational aspirations of many institutions. Targeted companies might not be seen as suitable research partners for many institutions but they could be a useful source of funding scientific expertise and other resources such as lobbying muscle if we can get past the stigma and learn to cooperate effectively using the UN's mix of participants. Maybe cooperation would be more productive than confrontation.

Humankind has been more than willing to prosper in the productive economy that fossil fuels are thought to have facilitated, while protesting the carbon emissions associated with prosperity. Buying the time needed to find ways to reduce atmospheric carbon levels long-term by encouraging power producers to shift to cleaner-burning fuels short-term, is probably the primary goal of this example of selective protest divestiture. Higher education needs to stay engaged. We can do more than protest and send messages which, given our past investment in and use of coal, may seem a bit late.

What does this lament have to do with acquiring the goods and services higher education must have to function and the challenges confronting purchasing professionals charged with primary responsibility in that regard? One way or another, every business leader on campus contributes to the decision-making atmosphere that helps shape the course the institution takes. The pursuit of sustainable purchasing on campus demands that the procurement professionals responsible understand the issues involved and more than likely requires forming partnerships with suppliers. Power companies and their key suppliers are among our most important suppliers. Few would see attempting to drive down the share price of potential partners in any industry as an approach likely to enhance cooperation. We may be able to indirectly demonstrate that there are more productive ways to work effectively with the suppliers we need as partners to succeed.

What's happening on your campus?

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**From the President: NAEP: Moving Forward**

**Cory Harms M.S.**  
NAEP President  
Iowa State University  
Associate Director of Purchasing

NAEP is always on the go, but now we're really moving. On October 14th, NAEP will launch the much-anticipated searchable contract repository, NAeProcure. With this site, you'll be able to search and then compare higher education vendor contracts. To help us make this the go-to feature in higher education purchasing, tell your favorite vendor that they need to be in this portal. Tell them to call NAEP right now if they're not in this portal yet.

To access NAeProcure, you'll log into the new NAEP website! This new site is built on a new cloud-based ERP platform that will allow for a more powerful, more efficient functioning web experience. Registering for meetings and searching for RFPs will be a snap once the new site is launched.

Before we all race to the new website in the fall, I encourage you to register for one of two marquee August in-person institutes. Our Supplier Diversity Institute, August 4-5 in Chicago has content and information for anyone who is involved in anyway with ensuring the supplier diversity program at your institution. Our program committee has thoughtfully prepared sessions and networking opportunities for you to get the biggest bang for your buck.

Our other big August event, August 24-27 in Denver, is the Strategic Procurement Institute. Led by Sandy Hicks at the University of Colorado and Pathstone Partners, you won't find a more prepared, knowledgeable, and enthusiastic group of experts. If you want a leading-edge procurement department, you need to attend this event.

NAEP is working to remain vital and successful. I continue to stand up for our Association and I encourage you to stand and commit to NAEP as well. Have a question or a suggestion? Email me at president@naepnet.org or find me on Twitter @naeppresident.

-Cory Harms, M.S.  
Iowa State University
What Makes a Successful Supplier Diversity Program? *(Pro-D Institute)*

Data has shown that institutions that have a supplier diversity program are more resilient than those who do not. But what constitutes a successful diversity program? How do you build inclusiveness into your supplier matrix and create a healthy campus framework? You can find the answers to these and other cutting-edge issues by attending NAEP’s Supplier Diversity Institute, August 4-5, 2014 in Chicago, Illinois.

Our Supplier Diversity Program Committee is well-staffed with subject-matter experts who are keen to share their success stories and best-practice tips and theories with you.

Your institution should designate at least one representative to attend this Institute, regardless of how new or how mature your program may be. This Institute will provide attendees with specific, integrated approaches to supplier diversity, whether you have one person who manages your diversity program, or have multiple staff who touch different parts of the program, or even if you are only considering starting a program at this time.

In addition to presenting 10 sessions over two days and multiple keynote speakers, the Institute provides you with the opportunity to expand your supplier-diversity network at a business-community reception, where you’ll meet local minority- and women-owned business representatives.

Register today to join us in Chicago in August. Reserve your hotel room at the Allerton Hotel by July 22 to receive the NAEP discounted rate. Attendees are eligible for up to 13 Continuing Education Credits (CEUs) for this institute.

Do You Have a Strategic Relationship with Your Vendors?

The strategic management of costs involves several important and complementary disciplines, including opportunity assessment, business case development, cost management execution and supplier relationship management (SRM). SRM has become a priority for many procurement organizations, but is not practiced as much within Higher Education. Learn the current theories and methodologies to understanding and implementing SRM through case studies, panel discussions and class interactions during NAEP's Strategic Procurement Institute, August 24-27, 2014 in Denver, Colorado.

At the end of this Institute, you will walk out with a framework for assessing your organization’s readiness to create value through Strategic Procurement. Before attending, be sure to watch this recorded roundtable presented by the same subject-matter experts teaching this institute.

Register today to be in Denver in late August. Registration is open and the full agenda is available for review. As you consider your travel plans, note that the Institute will begin Sunday evening and end mid-day on Wednesday. Reserve your hotel room before the July 24 deadline to receive the NAEP discounted room rate.

Survey: Does Investment in Procurement Deliver Value?

We are asking NAEP member schools to participate in a survey to determine if an “investment” in procurement, people and technology delivers superior results in the academic business environment.

Today’s procurement leaders must go beyond building a procurement operation that is efficient, demand-driven and focused on cost savings. Next generation procurement leaders are expected to add greater value to the institution’s success. How do you do this? By moving away from transactional activities and embracing practices grounded in automation, strategic-thinking, collaboration and supply chain innovation.

In this joint study with MetaProcure, NAEP strives to provide useful, statistically valid data and analysis that you can use to show that investment in procurement delivers superior value. The survey will provide an opportunity to highlight the strategic role that procurement departments can play at their respective institutions.
We have updated the survey so that if you need to stop while completing it and return to it at a later point in time, you are able to do so. At the bottom of the survey there is a button to “Save & Continue Survey Later.”

All survey participants will receive a Benchmark Report once the research has been completed, so that you can see where your own procurement organization ranks in comparison to your peers. In addition, research results will be presented in a webinar. All survey participants will have early access to a white paper summarizing the results.

Call for Programs for the 2015 Annual Meeting in Atlanta, April 12-15, is Now Open

The Call for Programs for the 94th NAEP Annual Meeting in Atlanta, Georgia is now open. Showcase your talents and share your knowledge, expertise and best practices with your colleagues! Our theme this year, “Explore, Engage and Innovate,” encourages members to explore new ideas and processes, engage in best-practice discussions with a variety of stakeholders, and innovate to stay relevant and succeed in an ever-changing business environment.

To submit a presentation for consideration, use the online submission form. You will be asked to create a profile and upload one or more presentation topics for consideration. (You will need to create a profile even if you applied last year.) Should you have changes to your presentation, you will have the opportunity to review, edit, and change your submission up to the deadline of October 17, 2014.

Coming Soon to a Computer Near You!

On October 14, NAEP will unveil a new website and launch NAeProcure, our new searchable contract library repository.

Our new website will have a visually clean look and an intuitive navigation menu. You’ll have more robust member-profile options and a cleaner, simpler way to register for meetings, institutes and webinars. The search capability on this new website is very robust; searching for an RFP from the RFP and Job Description Library will be a snap!

NAeProcure will launch simultaneously with the new website. You’ll be able to log into the new NAEP website and immediately access this searchable contract library repository. The portal is currently available for suppliers to upload their contracts. If you work with a favorite supplier and want to see their contract in NAeProcure, tell them to contact NAEP today to be included!

Calendar of Events

**In-person events**

- **Supplier Diversity Institute**
  August 4-5, 2014
  Chicago, IL

**Regional Meetings**

- **Great Plains**
  September 14-17, 2014
  Ames, IA
• Strategic Procurement Institute
  August 24-27, 2014
  Denver, CO

NAEP Procurement Academy (Tiers 1-3)
February 8-10, 2015
Phoenix, AZ

RFP Institute
February 10 - 12, 2015
Phoenix, AZ

Federal Procurement Institute
February 10 - 12, 2015
Phoenix, AZ

Webinars:

• Selecting Top Talent Using NAEP's Competency Model
  September 9, 2014

• TOAL
  September 21-24, 2014
  Waco, TX

• District VI
  September 21-24, 2014
  Westminster, CO

• Kentucky
  September 28-30, 2014
  Jamestown, KY

• TAGM
  October 5-8, 2014
  Atlanta, GA

• Upstate NY
  October 7-10, 2014
  Albany, NY

• Great Lakes
  October 8-10, 2014
  Indianapolis, IN

• New England
  October 19-22, 2014
  Falmouth, MA

• District II
  October 26-29, 2014
  Atlantic City, NJ

• Michigan
  October 28-29, 2014
  Grand Rapids, MI

• Carolinas
  November 15-19, 2014
  Asheville, NC

Look, Plan Ahead: Future Annual Meetings Dates and Locations

When you're thinking about your plans for the future, knowing what's coming up within NAEP can help you maximize your travel schedule and budget by arranging some vacation time around your professional trips. We'll be taking our Members to some interesting and beautiful places, and here's an opportunity for you and your family to see some famous American cities.

• NAEP 2015 Annual Meeting and Exposition
  4/12/2015 - 4/15/2015
  Atlanta, Georgia - Atlanta Hyatt

• NAEP 2016 Annual Meeting and Exposition
  San Antonio, Texas - San Antonio Hyatt

• NAEP 2017 Annual Conference & Exposition
  3/26/2017 - 3/29/2017
  Reno, Nevada - Peppermill Resort Spa Casino

Sustainability on Campus
American University of Beirut Medical Center Installs Reverse vending Machines
At the American University of Beirut Medical Center in Lebanon, the newly installed reverse vending machines collect plastic bottles and aluminum cans in exchange for rewards, such as water bottles and passes to the university's gym facilities.

Four Universities Test Electric Mini Vehicles
Colorado State University, University of Pittsburgh, University of Washington and University of Wisconsin will receive four electric micro-vehicles to research the reduction of campus carbon emissions and foster research using sensor data. At the conclusion of the projects, all aggregated data will become anonymous and publicly available for any researcher.

Keene State College Averts Plastic Bottles
Fifteen buildings across campus have recently received water bottle refilling stations, which encourage the campus community to use their own bottles and will decrease the amount of bottles recycled and sent to the landfill.

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Quote of the Month

“Success consists of getting up just one more time than you fall.”

– Oliver Goldsmith