Commentary: Media View

By: Neil Markee
Editor in Chief-Purchasing Link

What's happening on campus? The answer, of course, depends on when you ask, who you ask and who is asking. In an attempt to better understand what the media thinks is happening or should be, I collected clippings related to higher education found in the New York Times and the Wall Street Journal. The Chronicle of Higher Education clippings provided background on faculty thinking.

Of the fifty-nine clippings, several concerned sexual assault on campus. The focus seemed to be on prevention and what to do after the crime was reported. The well-known major institutions involved were criticized for having mishandled both. I'm not sure where dealing with this difficult, painful situation is going. Some combination of professional law enforcement involvement and legal due process, combined with substantial institutional support for victims could be the answer to the serious issues raised in the criticism leveled.

There were more articles concerning the cost-benefit ratio of higher education and repaying the loans involved. Included were descriptions of actions taken by institutions seeking to measure the value of the educational benefits they had provided and comments by others who hadn't embraced the test-based validation approach used. This is an important issue, as the quality of the product delivered, as well as the reputation and credibility of institutions, is at stake. The student-loan aspect has even been

From the Editor: How well is your chain of command working?

What do the higher education issues you read about in the national media have to do with purchasing professionals? If what's covered reflects reality on campus, the need for chief business officers to routinely deal effectively with the diverse important issues that have little to do with internal business office process has shifted their focus. To buy time to deal with pressing major issues personally, chief business officers, who increasingly have had substantial leadership experience outside higher education, have hired assistants perhaps from the commercial sector and their support staffs to provide supervision for groups of business leaders managing a variety of services. This has resulted in the expansion of the administrative payroll you read about and added links to the chain of command. With those changes in reporting, communicating within the business office probably becomes more complex.

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Several clippings involved sports. Generally, I did not collect articles concerning the athletic events typically covered on the sport pages. Neither did I clip the many articles I saw concerning concussions and other long-term sports injuries. Many of these were related to the massive legal claims facing the NFL. More than likely, there will eventually be a trickle down to the college and even high school and pee wee levels, where pockets are not so deep, and continuation may depend on affordable insurance coverage.

I was looking for articles concerning the interface with the campus business and academic communities and there was one of each of these. I'm not sure anyone knows where the recent NLRB finding will lead if it isn’t reversed, but private institutions at least have to begin thinking about the administrative and other implications and costs. The no-show academic scandal must have been a hurtful embarrassment for the major, well-reputed institution involved. On down the list of topics covered, there was even a supportive article on purchasing published in the Chronicle of Higher Education.

As I read the articles clipped, I realized that when campus decision-makers sit down around that “table” where we suppose serious planning takes place, there will be a full plate of concerns before each participant. Just about every issue had a business office-related component and addressing those will demand the attention of the chief business officer.

Media perception matters and I suspect that tucked into folders at the table will be many of the articles I clipped. What little the general public knows about higher education they learn through the media. To a major extent, TV and press coverage establish the public perception of the actions we take, the priorities we assign, and the value of the educational experience we provide or maybe sell. Our stewardship is measured in $ and the perceived cost/benefit ratio delivered is what really matters.

Students, parents and government increasingly evaluate institutions and their offerings much as they do other businesses for services they purchase. What they wave in return for the money they invest is commensurate value. That includes a safe environment and quality educational programs. The value of services delivered by institutions of higher learning is increasingly described in terms of the post-graduation earning power of graduates. Sure, institutional reputation still matters at the top, but what the public thinks graduates need most is saleable skills. If we want to broaden that perception, we’ll have to lead the discussion in the media.

Higher education’s “special” status seems to have all but evaporated. Increasingly, institutions are being evaluated on a “what have you done for me lately” basis, just as commercial firms are judged by those who manage the business affairs of institutions. Our performance is measured against the commercial business model and higher education will probably have to respond by becoming more business-like in the view of stakeholders. What other institutions do doesn’t seem to matter much to them and they see seeking to justify actions as “How do we things in higher education” as offering a weak, self-serving excuse. Changes in perceptions have altered how higher education is managed. A businesslike approach has not yet been embraced by every constituency on campus. For some, it’s unthinkable. But in the minds of the public and the political decision makers “businesslike” means efficient/effective, and I think the trend is in that direction.

CBO’s role evolving
In ancient times, back when purchasing professionals were gatekeepers, chief business officers were primarily focused on developing a balanced budget, and then living within whatever that was. They negotiated faculty salaries, arranged reasonable insurance coverage in a variety of areas, and participated in the ongoing, long-range planning to accommodate what was reasonably thought to be all bad news. Day-to-day, they supervised a small band of professionals who were responsible for, among other things, physical plant, food service, personnel and procurement. They worked to build endowment and to optimize other sources of income. Generally, the role of management was to prevent and put out fires and “No news is good news” was the definition of a good day.

Then along came something we learned to refer as “IT,” and what now seems to have been a leisurely rate of change in our world became anything but. It became possible to know much more about the details and implications of managing increasingly complex institutions of higher learning effectively via computerization using data available real time, just as others were doing in the commercial world. The resulting information explosion, combined with increased transparency, encouraged/allowed faculty, students and the general public to participate in the decision-making process and the term “business-like” began to creep into descriptions of the process.

In the Chronicle and elsewhere, there has been extensive discussion of the growth in administrative staff, which apparently has outpaced increases in instructional areas. Generally, administrative employees report to the chief business officer, and I suspect the substantial growth in their numbers reflects additions to the long list of responsibilities assigned. The role of the chief business officer has changed and with it the relationship with purchasing professionals and other reporting business-leaders.

Certainly, CBOs still spend a good bit of their time with traditional core-concerns. But reality has changed and with it the personal skill sets needed by CBOs and created a need for added layers of staff to provide the supervision and coordination required. This expansion enables the CBO to focus on what are the most pressing issues of the moment, which probably has little to do with routine process but has also added links to the chain of command.

Once, many CBOs came up through the ranks. Purchasing agents, physical plant directors, bookstore managers, etc. have all become assistants and some chief business officers. At the recent NAEP annual gathering in Louisville, I asked a number of members about their chief business officer’s professional experience, basically where they had worked before coming to their current institution. I
found that many CBOs had not come up through the ranks on any campus. I didn't take notes but, as I recall, some mentioned professional backgrounds in areas such as the law, accounting, banking, consulting and what I might describe as politics. Some had come from other institutions but, oddly, nobody mentioned promotion from within.

Certainly, those hired from outside higher education brought with them skills that had served them well in the commercial world as their careers progressed. "Businesslike" for them means doing things in ways they had found successful in the past. Reasonably, they conclude, the governing boards who hired them expected them to apply what they had found to be effective in other venues on campus. Measuring performance in objective terms, for example, is very likely to be one of those. Enduser satisfaction is difficult to quantify.

Has the new wave of CBOs coming to higher education from banking, law, accounting, consulting, etc. installed something of a glass ceiling over existing directors of this or that on campus? Is there an evolving "CBO track" similar to the academic "tenure track"? If so, what are the characteristics of those thought to be qualified to be perspective CBOs? A recent article in the Harvard Business Review argues that, when hiring business leaders, talent and potential counts most. What are the defining characteristics of potential chief business officers?

The Challenge
Purchasing professionals must be well-versed specialists able to provide viable solutions when procurement issues are front and center, if they are to thrive in procurement in support of higher education. But successful chief business officers are likely to be generalists, because of the incredible variety of challenges they encounter every day. For example, it's not just our business dealings under the scope. Coverage of recent sexual assaults on campus suggests our investigatory, supportive and disciplinary processes are being judged by the legal due process standards of everyday life and maybe a new approach is required. Off campus, federal grade due process is the gold standard. Chief business officers with responsibilities in campus security, legal affairs, liability coverage, and student life will be involved in that important discussion.

Given the changes, how can you get promoted? Managing an effective, efficient, transparent, visionary procurement operation remains a prerequisite. Once that's in place, shedding low-value routine tasks can provide the time and resources to expand purchasing professional's ability to contribute to the overall success of the business side of the house. Those who aspire to move up the line, and perhaps become chief business officers some day, will have to develop a reputation for being well-versed on the intricacies of the issues of the day, on a local and national level, and demonstrate an ability to contribute to problem-solving in the wide variety of areas outside what might be defined as procurement. Knowing what's on their boss' short-list of most pressing problems is required and paying attention to media coverage of recent sexual assaults on campus suggests our investigatory, supportive and disciplinary processes are being judged by the legal due process standards of everyday life and maybe a new approach is required. Off campus, federal grade due process is the gold standard. Chief business officers with responsibilities in campus security, legal affairs, liability coverage, and student life will be involved in that important discussion.

What's happening in your world?
Swi...gears to the Contract Library Portal, which we’ve named NAEProcure, it is now ready to use! If you don’t see the contracts from your favorite vendor in the portal, make sure you tell them they need to be here. This one-stop shop positions NAEP as an active player in higher education.

NAEP’s research activities have been on the rise this year. The newest Innovators Forum white paper on Talent Management was just released at this Annual Meeting. NAEP’s Innovators Forum has come to be recognized as the leading thought-leadership on innovation in higher-ed procurement.

Another resource recently made available is the 2013 Green Purchasing Study. Also released at this meeting is our white paper on spend analytics in higher education. And yet another initiative we undertook was to standardize job descriptions for our profession. Working with the National Council for Public Contracting, we identified Position Domains & Co in Procurement. NAEP’s 2013 audit showed significant growth in the Association’s cash position and the ability to continue to grow our Operating Reserve to meet our target to 50 percent.

NAEP’s heartbeat lies in the data of our Members. Therefore, in direct support of our Mission and Vision, we have begun the implementation of a new technology platform for our database and website.

I must say I’m both honored and proud to have had the opportunity to play a role in many of these activities. It’s taken many teams of volunteers who care and who are interested in the advancement of the Procurement profession to make it all happen. Now I would like to close by saying not goodbye but see you around, and leave you with this quote: Always do your best. What you plant now, you will harvest later. In my own way, I’ve planted little seeds in NAEP and in many of you. I look forward to watching you and our organization grow.

Thank you

Incoming President Cory Harms, Iowa State University

One thing you learn being on the board and coming in as president is that Doreen will put you to work. In fact, I was in Baltimore recently and dropped in to see Doreen at the National Office. Not a soul was in the office except a big dog emptying wastebaskets. I couldn’t believe it; I had never seen anything like it and then the dog looked up and said, “Don’t be surprised. This is just part of my job.” I almost fell over I was so shocked. I said “This is incredible. I can’t believe it! Does Doreen know what a prize she has in you? A talking dog!” “No, no, ” pleaded the dog. “Please don’t tell her! If she finds out I can talk, she’ll make me answer the phones, too!”

Almost as hard to believe as a talking dog is that I am finally standing here today as the president of NAEP. This is very special for me. I am so proud and honored to have been chosen to lead this wonderful organization.

Nine years ago at a regional meeting, I listened to Dick Scharff talk about his experience as an NAEP president. He was very emotional and inspirational in his commitment to NAEP. I was so moved by what he said. He showed a true love for the organization. After he was done speaking, I went up to him and told him how inspired I was and that my goal was to be standing in the same place he was someday—as an NAEP president.

Dick was not the only one that inspired and mentored me though. I need to thank my Director, Nancy Brooks, for encouraging me and giving me the opportunity to be part of NAEP and develop me professionally. I want to thank Doreen Murner, CEO of NAEP, for encouraging me from the first moment I met her to become active in the organization. To John Klopp, another mentor that encouraged me to do more by his example of volunteerism. I could also thank the countless friends and colleagues I have met through NAEP that have created and fostered a sense of volunteerism in me by their great example. I would love to name you all but Doreen would kill me because I would be up here well over my allotted time (Karen Gross, Karen Coopersmith, Sandy Hicks.)

So this is very special for me, even though being president doesn’t mean special in any way. I am not more knowledgeable, more important or that my opinion matters more than any other Member. It does mean that I have a greater responsibility to you, as Members, to try and make things better for you, the Purchasing profession, and for NAEP, but I think the greatest responsibility I have is to inspire within all of you a love for this organization and a commitment to its success. I want to inspire you not only to be Members of NAEP but to become active members—not just to inspire you to come to the Annual or Regional Meetings or going on the listserv, or presenting, or joining a committee. I want you to do several of these things—continuously and regularly. We all need to actively participate in the success of NAEP to make our organization stronger.

Our organization is at a crossroads. We need to decide what direction we want to go to remain vital and successful. We can continue to do what we are doing and NAEP will survive, but it may not thrive. This organization needs Members to be active and contributory. That is what makes us great. We gather strength from the diversity of knowledge, experience and opinions of our Membership.

We have Members that do a ton of work for this organization. They do it out of love and support for NAEP and its Members. We need those people, those leaders, but we need more. We need new ideas, new viewpoints and new leaders. Think of the accomplishments we can make if everyone in this room did one new activity this year for NAEP. What if everyone here got one new school to join or an old Member to rejoin; what if we all wrote an article, or what if we all nominated a colleague for an award. What if we added in the thousands of individual Members who are not here? Think of the impact we could make—THAT WE MUST MAKE.

I would like to ask you to stand up if you are willing to commit to doing one of these things this year. Don’t stand unless you really will commit to do something for NAEP.
Stand if you are willing to write an article, stand if you will nominate a colleague, contact a prospective school, or join a committee, stand if you will present at a regional or national meeting, send something to the RFP library, or make an effort to respond to more things on the listserv. Stand if you can commit to doing something for NAEP this year. And if you can’t think of something, ask me. Believe me, I could use the help.

So let’s stand up and be counted; stand up for this Association. Let’s commit to making NAEP better through leadership and volunteerism. For all of you that are standing, I thank you for your commitment. Let’s carry that back to our offices and commit even more Members to stand.

Procurement Is in The Winner’s Circle!

The NAEP 2014 Annual Meeting won the derby and landed in the Winner’s Circle. From the opening night host event, in partnership with E&I Cooperative Services, the energy level and enthusiasm were high. The Louisville Marriott and Kentucky Convention Center were abuzz with excitement and activity as 407 attendees, 139 exhibitors and 23 sponsors enjoyed a program that included a daily keynote speaker, 40 sessions and a packed exhibit hall. If you attended the Annual Meeting and need a CEH form, please contact Melanie Freeman.

Annual Meeting PowerPoint presentations are posted on the NAEP website. You must log into the site to access the files. Once logged in, click on “Research” on the left-hand side, then “Annual Meeting Presentations,” and then “2014.” Additionally, pictures of each day are currently available on the NAEP website for viewing. The mobile app will stay active through the summer should you need to reference the schedule or any notes you may have saved on the app.

Thank you to everyone who attended the Meeting and helped make it such a success. We are hard at work preparing for the 2015 meeting, April 12-15 in Atlanta, Georgia. The Call for Papers will be opening this summer.

The Pro-D committee would like to congratulate our RFP/Job Description Challenge Winners, selected during the Exhibit Hall session on Monday evening, May 19 in the NAEP Learning Classroom:

- **Small School:** St. Charles Community College
- **Medium School:** Morehead State University
- **Large School:** Oregon State University

National Award Winners

The National Awards were presented on Monday evening, May 19, at a special awards dinner for recipients and announced at the General Session the following Tuesday morning. NAEP values our all of our volunteers. We thank all of our volunteers and our award winners for their time, expertise and dedication to NAEP.

We are pleased to announce the 2014 NAEP National Award Winners:

**Bert C. Ahrens Award:**

Patricia Moore, Associate VP of Business Services (retired), University of Alabama, Huntsville

Someone I deeply admired was the late Barbara Jordan, the first African American woman from the Deep South elected to the Texas senate and to the United States Congress. She believed that as long as you are alive, you should be doing something to make a difference. So I hope that by receiving this prestigious award, I have done something to make a difference during my tenure at NAEP.
Neil D. Markee Communicator of the Year Award:

David J. Wright, Director of Communications, University of Washington

Information is the great equalizer. Transparency builds trusting, collaborative relationships. Know your customers and respect their needs. Have fun and connect. Laugh with your customers. Exceed the expectations of your customers.

Distinguished Service Award:

Michael McNamara, Director of Procurement Services, Northeastern University

The best part of my career in Higher Education has been the chance to collaborate with so many world-class procurement professionals.

Carol Barnhill, Director of Procurement and Travel Services, Arkansas State University – Jonesboro

I am humbled to be selected as a Distinguished Service Award winner. One of my favorite quotes is “the best way to find yourself is to lose yourself in the service of others.” – Mahatma Gandhi

I love my job at Arkansas State University – Jonesboro and my staff that I am able to mentor and grow in our profession. It is a pleasure to be able to give back to my peers in Arkansas and TOAL and others thru my association with NAEP in any manner that I can. I am truly blessed.

Richard Worden, Associate VP of Administrative Services, New York Chiropractic College

Dick has provided valuable leadership to the NAEP officers and planning committees of the districts he served with a passion for quality. Dick's commitment to excellence and service to the District has been equal to none. During his tenure as the District I Board Representative he promoted the Regions of the District stressing the professionalism and commitment of New England and Upstate NY to the National Board. Through his interaction we have received unprecedented recognition and support of the National Board and office.

Young Professional in Procurement Award:

Shelby Slaugenhaupt, Senior Buyer, University of the Pacific

"The mind is everything. What you think you become." - Buddha

Stacy Sassman, Purchasing Agent, Iowa State University
I enjoy helping ISU faculty and staff and the university achieve their goals. To be recognized for my work is exciting and very much appreciated. I am proud to be a part of incredible organizations like ISU and NAEP.

Award of Excellence in Procurement:

Houston Community College System
On behalf of our Chancellor and the Houston Community College Board of Trustees, we thank NAEP for their consideration and recognition. It is the goal of the Procurement Operations Department to strive for excellence and maximize performance while incorporating a continuous improvement process in serving our client departments and enable the academic success of our students.

Iowa State University
Our objective was to implement a proactive process to reduce delays in obtaining research equipment and assist new faculty to expedite their laboratory start-up. Accomplishing this goal would allow the researchers to spend more time focusing on their research and reduce some of the pressure associated with finishing their research on time. The new process demonstrated our ability and desire to partner with research and academics.

Professional Perspective Award:

Kimberly Dulaney, Assistant Director and Contracts Manager, Virginia Tech
Always believe in the good in people and don’t be afraid to take a risk. Even when you want to turn around and run the other way, keep moving forward. There may be lots of starts and stops, perhaps lots of do-overs, but don’t give up, and don’t ever let anyone convince you that you can’t…because you can…it’s up to you!

Nancy Tregoe Scholarship Award:

Cynthia Urick, Procurement Manager, Alvernia University
I’ve had the privilege of knowing Nancy Tregoe and was very inspired by her professionalism and involvement with NAEP and E&I. Because of that association, I feel deeply honored by this award! Sometimes I feel that my efforts go unnoticed by my institution, but it means so very much to me to be recognized by my peers for my professional growth and development. Throughout my own involvement with NAEP and E&I, I have always been struck by the character of professionals drawn to procurement (conscientious, hard-working, helpful, and fun) and am very proud to be one of the ranks. Thank you!

Bob Ashby Mentor of the Year Award:

Gary Kraft, Director of Procurement Services, Inventory & Materials Management, University of Nebraska, Lincoln
I had a great mentor early in my career in John Schneider, Purchasing Director at Colorado State University. His guidance and leadership have helped me develop my own style. Helping others grow both professionally and personally is the most rewarding benefit of leadership. I am blessed with a marvelous staff of innovative professionals dedicated to our mission at the University of Nebraska-Lincoln and our profession.

Volunteer of the Year Award:

W. Thomas Kaloupek, Director of Materials Management, Virginia Tech

One of the joys of NAEP is getting to work with and learn from many fine people that I would otherwise not get to meet. Many people have helped me along the way and I hope that I have returned the favor. Through volunteer service I have sought to advance our profession.

Denise Finn, Associate Director, Purchasing Division, University of Kentucky

NAEP is like a family with members that live far and wide. I am passionate about our profession and our association and I believe that each of us achieves what we have contributed. There are many outstanding volunteers within the NAEP family and I have had the pleasure to work with many of them and look forward to working with many more. I am thrilled to receive the Volunteer of the Year Award and I will display it proudly.

NAEP 2014 Sons & Daughters Scholarship Winners:

Rachel Dean, University of Alabama

It is such an honor to be a part of the alumni of the NAEP Sons & Daughters Scholarship

Gabriela B. Wilson, University of Michigan

Your generosity is truly inspiring and I promise to work very hard in the future so I can eventually give back to others as well

Supplier Diversity Institute: Engage Your Community

Plan to spend time in Chicago on August 4 and 5 for an engaging look at Supplier Diversity.
The program is currently available for review: The Institute will feature 10 sessions, 3 keynote speakers and a Business Community Reception sponsored by the Chicago Minority Supplier Diversity Council (MSDC), where you can expand your supplier diversity network.

The Institute offers two tracks to give you an opportunity to select the session that best meets your needs. Track one, titled “New Professionals,” offers programming for those who are relatively new to supplier diversity or are in the process of building a supplier diversity program. The second track, “Experienced,” offers programming for more experienced participants and those with mature supplier diversity programs.

Whether you are developing a supplier diversity program from scratch or managing a mature program, the Supplier Diversity Institute will provide you with specific takeaways that you can implement immediately. You will also build a significant network of colleagues tackling many of the same challenges you face.

Join subject-matter experts for an informative and engaging two-day institute focused on the best strategies and practices in Supplier Diversity. Learn to engage your campus community, regardless of your experience level or role.

### Strategic Procurement Institute: Elevate Your Procurement Department

This popular Institute has sold out multiple times so make plans now to attend. Registration is open and the agenda is available for review. If you want to elevate your procurement department and your professional career, plan to be in Denver in late August—as this Institute is must-have training.

Procurement in higher education is increasingly challenged to create greater value to support University strategic goals. To obtain greater value often requires an expansion of spend under management to increasingly complex categories and initiatives. The strategic management of costs involves several important and complementary disciplines including opportunity assessment, business case development, cost-management execution and supplier-relationship management. This Institute integrates these leading disciplines into one comprehensive methodology and approach. The Institute will explore the theory and methodology of these leading practices, as well as their practical application.

### Is the Value Your Procurement Department Provides Your Institution Worth the CFO's Investment?

We are asking all NAEP Member schools to participate by July 15, 2014 in a study to determine if an investment in procurement, people and technology delivers superior results in the academic business environment. Click here for the 16-question survey that aims to understand the relationship between investments in procurement and increasing value creation.

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. This requires moving away from transactional activities and embracing practices grounded in automation, strategic-thinking, collaboration and supply chain innovation.

NAEP strives to provide useful, statistically valid data and analysis that our Members can use to show that investment in procurement delivers superior value. The survey will provide an opportunity to highlight the strategic role procurement departments can play at their respective institutions.

### Partnership & Collaboration Award Winner Announced

The MetaProcure Partnership and Collaboration Award recognizes Procurement leaders and teams who are transforming their organizations by creating and implementing innovative procurement strategies and business solutions. For the full list of criteria, click here. The MetaProcure Partnership and Collaboration Award was presented during the NAEP Annual Meeting at Roy Anderson’s session on May 19.

The winner of the 2014 award is UC Berkeley and UC San Francisco. Congratulations!
UC Berkeley and UC San Francisco have developed a truly new and innovative approach to procurement that supports procurement, education and automation. The Procurement organization (with the support of faculty), partners with students, who generate new insights and leverage this data to build new analytical tools, sustainable business processes and systems. As a result, critical skill sets can be grown from within the school. The collaboration rationalizes supply chain strategies by providing data and solutions, as well as automated tools, to support and improve Procurement’s services to the campuses and has the potential to save millions.

Creating the Ideal University Stockroom

By VWR

Looking to cut the cost of maintaining and operating your stockroom while balancing the needs and goals of various departments and leaders? One large university was under pressure to reduce costs while enhancing the services researchers care about the most. Learn how the complexity of university and stockroom needs can be analyzed to propose solutions resulting in up to $1.1 million in savings by downloading this free case study.

Building Better Business Solutions to Support Your Research and Life Science Efforts

VWR is committed to supporting your research efforts by helping maximize your purchasing power and streamlining your supply chain. VWR and E&I Cooperative Services have partnered to create a research and life-science-specific program that give you access to competitively bid contracted pricing on lab supplies, chemicals, equipment and furniture.

Put the Power of VWR’s Differentiated Services to Work for You

With an extensive portfolio of differentiated services, VWR CATALYST can help you move faster and focus more time on your work. Our services remove the burden of ancillary tasks, including research support, procurement, inventory management, administration, and much more.

From research to production, we can help you refocus scientists’ time on initiatives that directly support the strategic mission of your company.

This is just one of many cost savings ideas VWR can provide! Find out more at us.vwr.com/catalyst, call the dedicated Customer Care Team at 866.275.8902, or contact your local VWR representative.

Supplier Consolidation: Is It Right for Your College or University?

Looking at Higher Education from a Business Perspective

By Staples Advantage

Many business experts agree that the trend towards supplier consolidation, also referred to as vendor or supplier rationalization, is picking up momentum. Kraft Foods recently announced a plan to reduce their supplier base by 50 percent, predicting $300,000 in annual savings. Procter & Gamble has cut the number of production suppliers its brand agencies must work with from 125 to about 30. And AT&T is paring its list of vendors from 150 down to 40.

So why are so many leading organizations increasingly consolidating suppliers?

The primary reason is savings. Colleges and universities are able to achieve greater volume discounts by consolidating spend with one supplier versus dispersing it across many different suppliers. But that’s just the beginning. Fewer vendors also means lower purchase order and invoice processing costs, fewer internal resources required to manage them and overall less maintenance work. According to AMR Research (June 2009), organizations spend as much as $585 to $760 annually per supplier for the cost of managing supplier information within their enterprise alone! This is a lot of extra cost per year.

But there are other benefits to be gained from supplier consolidation beyond just cost savings. Consider the ability to improve supplier base performance. As Christina Langley, MD of procurement focused recruiters at Langley Search & Selection says, organizations pursue consolidation to "build better long-term partnerships with a more limited number of suppliers to enable competitive advantage (either technological, cost down or service driven)." Organizations that invest more with one supplier wield greater leverage and influence and, as a result, often benefit from more personalized and attentive care, more responsive service and access to executives and higher-level decision makers within the
supplier’s organization. They also achieve more efficient spend management through consolidated, centralized reporting.

According to The Hackett Group, 75 percent of all world-class businesses engage in significant supplier rationalization reviews annually, compared to only slightly more than a third of typical companies. While typical companies operate with 7,805 suppliers per billion dollars of spending, Hackett has found that world-class organizations rely on 55 percent fewer suppliers. While supplier consolidation is a sound procurement strategy, it must be implemented following careful guidelines:

• The exercise must be data-driven in order to compare suppliers.
• There need to be controls in place to ensure that the resultant supply base can meet business needs and requirements.
• Vendors should be reviewed routinely by using vendor scorecards and contracts to monitor the relationship.
• Change management techniques should be used to communicate the vendor rationalization program and its benefits.
• Lines of communication should be kept open with a few alternate providers in case of problems with the primary provider.

If you’d like to learn more about vendor consolidation and how Staples Advantage® can help, please contact your Staples Advantage representative or visit StaplesAdvantage.com/HigherEducation.

Increase Your Hiring Success

By Melanie Freeman, NAEP

Have you ever hired someone who, no matter how wonderful of a person he/she was, just didn’t provide the expected outcomes? If so, you are not alone. Many hiring managers indicate that soon after their new employee begins, it is clear that it is not going to be a successful match.

When the new hire doesn’t have the right skills or cultural fit, there is tremendous impact. The price of a poor hire adds up in a variety of ways. Consider some of the most common:

• Lost productivity
• Lost time to recruit and train another employee
• Negative effects on employee morale
• Negative impact on internal customers (departments which you support) and external customers (suppliers)
• Legal issues

And if this isn’t bad enough, let’s not forget the impact on your budget. The U.S. Department of Labor estimates that the average cost of a poor hiring decision can equal 30% of the first year’s potential earnings. That means a single poor hire with an annual income of $50,000 can equal a potential $15,000 loss for your department.

So how can you increase your hiring success?

Talent acquisition is defined as “a strategic approach to identifying, attracting and onboarding top talent to efficiently and effectively meet dynamic business needs.” As discussed in the recently released 2014 Innovators Forum white paper, talent acquisition is a key component of an institution’s strategy because the process provides highly motivated and qualified employees who can ultimately impact the financial and operational well-being of the institution.

Within the talent acquisition process, there are a number of steps that are focused on sourcing, interviewing, selecting and hiring. They include the following:

1. Establish a plan for the recruitment and selection process
   a. Plan and develop a strategy which aligns with the institution’s goals
   b. Use the NAEP Competency Model, developed by the Professional Development Committee, to confirm the competencies necessary for success in the position
   c. Determine the compensation package
   d. Develop and promote your branding—why should a candidate work for your department?
2. Ensure the job description is up to date and reflects desired competencies
   a. Review and update the job description consistently
3. Contact internal team who will be part of the process
   a. Consider an interview team that includes individuals inside and outside of procurement
   b. Provide the team with necessary communications and training for the interview
   c. Integrate the team’s feedback throughout the selection process
4. Recruit with diverse networks to reach a variety of candidates
   a. Source candidates even when you don’t have an open position
   b. Search for individuals inside and outside of procurement
   c. Include student interns in the sourcing plan
5. Prescreen candidates to narrow the pool
   a. Identify any potential hiring barriers early in the process
   b. Focus on key skills and values
6. Implement a structured selection process
   a. Focus the interview on selected competencies
   b. Ask behavior-based questions as included within NAEP’s customized Interview Guide - Buyer
   c. Avoid questions that create compliance issues
7. Conduct criminal background and/or reference check
   a. Protect the department and institution from potential problems
8. Make a final selection
   a. Use the rating chart in the interview guide to evaluate and compare competency levels
   b. Hire only if you and the team feel you have located top talent–don’t hire just to fill the opening
   c. Select the individual who brings the best competency and cultural fit
9. Follow up with all candidates
   a. Contact those that you didn’t hire and make them aware of the decision
10. Prepare for onboarding
    a. Help new hires adjust to the social and performance aspects of their jobs so they can quickly become productive, contributing members of the department
    b. Provide employees with a sense of organizational norms—both formal and informal
    c. Share the department/institution vision, mission and values and how his/her position relates to the goals
    d. Design and communicate a training plan
    e. Provide ongoing coaching and feedback

With higher education procurement continuously changing and taking on new challenges, it is vital that you hire and retain the best of the best and that he/she offers maximum performance to your department and the institution.

For more information about how you can use the NAEP competency model and other resources, register for the September 9th roundtable discussion, “Selecting Top Talent Using NAEP’s Competency Model”.

Email Melanie Freeman or call, 443-543-5538, with any questions.


**Calendar of Events 2014**

**Regional Meeting Schedule:**
- Great Plains Fall Annual Meeting
  September 14-17, 2014
  Ames, IA
- District VI Meeting
  September 21-24, 2014
  Broomfield, CO
- TOAL Fall Regional Meeting
  September 21-24, 2014
  Waco, TX
- Kentucky Fall Regional Meeting
  September 28-30, 2014
  Jamestown, KY
- TAGM Fall Meeting
  October 5-8, 2014
  Atlanta, GA
- Upstate New York Fall Meeting
  October 7-10, 2014
  Albany, NY
- Great Lakes Fall Regional Meeting
  October 8-10, 2014
  Indianapolis, IN
- New England Annual Fall Conference
  October 19-22, 2014
  North Falmouth, MA
- District II Fall Regional Meeting
  October 26-29, 2014
  Atlantic City, NJ
• Michigan
  November 5-6, 2014
  Grand Rapids, MI
• Carolinas Winter Regional Meeting
  November 15-19, 2014
  Asheville, NC

Webinars and Roundtables:
• Legal Aspects of Procurement Series:
  Purchasing Policies & Special Issues in Contracting
  June 10, 2014
• Doing More with Less: Higher Ed Procurement Pros Give Tips on Saving Money, Saving Time, and Saving Your Sanity
  Complimentary webinar sponsored by SciQuest
  June 26, 2014
• Selecting Top Talent Using NAEP's Competency Model
  September 9, 2014

In-Person Events:
• Supplier Diversity Institute
  August 4, 2014
  Chicago, IL
• Strategic Procurement Institute
  August 24-27, 2014
  Denver, CO

Sustainability on Campus

University of North Carolina-Greensboro Abandons Junk Mail
Eliminating staff time it takes to reprogram 6,000 student post office boxes, the new dynamic mail system assigns a unique one-time postal code that corresponds with a postal cubby where packages and letters can be picked up. In this new scheme all bulk mail, fliers and junk mail are eliminated.

Elon University Acts to Reduce Paper Use
In an effort to manage staff workload, meet student needs and save resources, the university's Office of the Registrar has implemented a central printing station, switched diploma paper stock to one that is less likely to fade, offers an automated form depository, and has removed its fax machine.

University of Ottawa Achieves Fair Trade Campus Designation for Purchasing Practices
The University of Ottawa became the seventh in Canada in April to achieve Fair Trade Campus designation. To receive the designation, the university has to offer fair trade coffee only in the food outlets it operates on campus. It also must offer three fair trade teas at each location and, if chocolate bars are sold, at least one must be fair trade. The requirement to sell Fairtrade products won’t mean higher prices, said Jonathan Rausseo, the campus sustainability manager said. “That’s the irony of it. There’s no difference in cost. If the price point isn’t different, why wouldn’t we be doing this?”

Quote of the Month

Leadership is a matter of having people look at you and gain confidence, seeing how you react. If you’re in control, they’re in control.

– Tom Landry