Transformational Leadership: Guidance in an Age of Change

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Nancy S. Brooks, MPA
Director of Purchasing
Iowa State University
NAEP Board President 2008 - 2009
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Probably each of us has had one or more mentors in our life — folks who’ve helped us through the good times and the bad. We’d do well once in a while to reflect on these individuals, with a generous dose of appreciation.
For more information on any of our programs or to register, go to www.NAEPnet.org.

NAEP
National Association of Educational Procurement

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Regional Meeting Schedule

<table>
<thead>
<tr>
<th>REGION</th>
<th>DATE</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carolinas</td>
<td>November 30–December 3</td>
<td>Asheville, NC</td>
</tr>
<tr>
<td>New England</td>
<td>October 21–24</td>
<td>North Conway, NH</td>
</tr>
<tr>
<td>Metro NY/NJ*</td>
<td>October 12–15</td>
<td>Vernon, NJ</td>
</tr>
<tr>
<td>DC/MD/VA*</td>
<td>October 12–15</td>
<td></td>
</tr>
<tr>
<td>DE/PA/WV*</td>
<td>October 12–15</td>
<td></td>
</tr>
<tr>
<td>Florida</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Kentucky</td>
<td>September 28–October 1</td>
<td>Burkesville, KY</td>
</tr>
<tr>
<td>TAGM</td>
<td>November 16–19</td>
<td>Biloxi, MS</td>
</tr>
<tr>
<td>IWAG ^</td>
<td>October 15–17</td>
<td>Indianapolis, IN</td>
</tr>
<tr>
<td>Indiana ^</td>
<td>October 15–17</td>
<td>Indianapolis, IN</td>
</tr>
<tr>
<td>Michigan</td>
<td>October 22</td>
<td>Grand Rapids, MI</td>
</tr>
<tr>
<td>Ohio</td>
<td>October 15–17</td>
<td>Indianapolis, IN</td>
</tr>
<tr>
<td>MINK #</td>
<td>September 14–17</td>
<td>Ames, IA</td>
</tr>
<tr>
<td>MN/DK #</td>
<td>September 14–17</td>
<td></td>
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<tr>
<td>TOAL</td>
<td>September 28–October 1</td>
<td>Rogers, AR</td>
</tr>
<tr>
<td>Northwest #</td>
<td>October 5–8</td>
<td>Colorado Springs, CO</td>
</tr>
<tr>
<td>Pacific #</td>
<td>October 5–8</td>
<td></td>
</tr>
<tr>
<td>Rocky Mountain #</td>
<td>October 5–8</td>
<td></td>
</tr>
<tr>
<td>Upstate NY</td>
<td>October 14–17</td>
<td>Alexandria Bay, NY</td>
</tr>
</tbody>
</table>

* ^ # combined meetings

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Dear Readers,

For those of you who read my last column, you'll recall that I talked about how NAEP is an archetype for the Procurement professional and all that is important to us professionally. I’d like to continue this line of thought with our FACEBOOK entry.

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Information
Activities: Don’t sit still very often. Heavily involved in Professional Development, Thought Leadership Networking, and Trailblazing. Go to a lot of football games.
Interests: I spend most of my time with all types of members. Love to walk on the beach with them at regional meetings and share great food and conversation at networking receptions.
Favorite Music: I listen to mostly college marching bands.
Favorite TV Show: Numbers
Favorite Quote: “The understanding of mathematics is necessary for a sound grasp of ethics.” (Socrates)

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Five Things I Learned at NAEP’s Annual Meeting…
(and why I need to thank you for helping me learn)

by Cory Harms
Iowa State University

There are some things in life that we look forward to – weekends, vacation, retirement. While these activities are linked with being away from the office, the one exception for me is attending our NAEP national and regional meetings where we are, for a few days, immersed in our profession. I look forward to seeing old friends, networking, the events, and this year’s Annual Meeting in Austin was no exception. While I probably learned a hundred different things at this year’s Annual Meeting, I consider the following my top five.

#1 Getting involved. It’s the best way to enjoy the meeting.

Every year, I try new things. From being a New Attendee guide, moderating a session, or making a presentation, to working the Fun-Run, new experiences are the consequence of making new connections. Many of my favorite NAEP contacts have been made through volunteering at national and regional meetings. Sometimes I wish there could be three of me, with all there is to do. Nevertheless, by the last day, I have always made new connections and am so glad that I was involved as much as I was. So, thanks to Flo, Jeff, Sandy, Mary, Mike, Joan, Jim, Nell, Toni, Eileen, Karen, and all of the other people I have met when volunteering and now count as my dear friends.

#2 There is no better resource than each other.

It’s the people that bring me back every year. I get to learn from the best-of-the-best in our profession. I renew friendships and make new ones, and have great conversations about our profession with colleagues from all over the country and the world. I always learn something new or find an intriguing viewpoint. While I can read articles or go to seminars, nothing can compare to what I receive from all of you wonderful people each year at these gatherings. So thanks to Charlene for your session on vendor orientation in Salt Lake, Charlie for your AEP session in Baltimore, and countless others that have helped me change my department by freely sharing your knowledge and insights.

#3 Mentors are there for the taking.

The leaders and mentors I have met through NAEP have profoundly affected my professional career. I have been encouraged and supported to make presentations, to write articles, become involved on committees, all of which have helped me develop professionally and personally. If you have an interest to succeed in your position, write articles, get involved on committees, or just help out; someone will be glad to lend you a hand. So thanks to Nancy, John, Doreen, Bill, Tory, Dick, and countless others who have encouraged me and provided their support.

#4 An incredible “value” People place on our Association.

Prior to opening celebration activities for this year’s Annual Meeting, I attended the Regional Leadership Forum. One of the topics discussed focused on the value that we get from being a part of NAEP. While costs to attend national and regional meetings continue to be a concern for some, the most universal benefits these regional leaders cited involved the ability to meet new people, renew old and develop new relationships, and benefit from the many opportunities through networking with peers. The sum total of just these benefits alone was priceless and speaks volumes for this wonderful Association. So my thanks go to the NAEP national office and every member that has attended a national or regional meeting. Our collective involvement contributes to the overall successes we all enjoy.

#5 Part of our duty, which is a privilege, is to pass on encouragement to get people involved.

I have had the privilege to work with and meet many of the true leaders of NAEP. These are people who have reached out to me, and countless others, to ensure our Association’s mission and vision remain focused and clear for the members. They have mentored, coached, and encouraged me, helping me realize it is my turn to give back. I am far from the best and the brightest, but I want to extend my hand to anyone who wants to volunteer, write, help out, or just meet others in the profession. There are many in this Association that have great stories and knowledge to share. If I can help just one of you to share your stories and your knowledge with others in NAEP, then I will count myself lucky. Thanks to Terri, Ryan, Travis, Bill, Nicolle, and many others that have listened to me as I shared my enthusiasm about NAEP.

There are hundreds of people I could mention specifically who have made a difference in my life, our Association, and this profession, but time and article space are limited. So thanks to all of you who have, who continue, and who want to contribute to this great Association and for helping me learn.

Cory Harms is the associate director of purchasing at Iowa State University. He is president of the MINK (Missouri, Iowa, Nebraska, and Kansas) region and serves on the NAEP Editorial Board. He has presented at both regional and national NAEP meetings, and has spoken for the Missouri Association of Public Purchasing (MAPP).

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Transformational Leadership: Guidance in an Age of Change
by Nancy Brooks
Iowa State University

For the most part, we function within a context, not in a vacuum. That context is typically characterized by rapid and significant change. Globalization, technology, legislation, regulation, and workforce demographics present unique challenges to organizations and professions. We look to leaders to make sense of change and to clear a path that will lead us to success... hopefully.

We expect some basic but definite things from our leaders. We expect a clear, common, and positive vision of an achievable future. People will not long follow negative leadership. We expect appreciation for our values, expectations, and needs. It is important that the interests of the organization and its people are more important than the self-interests of a few. We expect that optimism, ability, good plans, and hard work will lead to success.

In response to change, leadership needs to create a positive, achievable vision and inspire the motivation to progress in that direction. Leadership, more often than not, must transform the organization.

What is transformational leadership?

Transformational leadership is about implementing new ideas, being effective, doing the right things. Transactional leadership, on the other hand, is based on an exchange of services for various kinds of rewards controlled by the leader. Transactional leadership is essential for getting day-to-day work completed. But to move an organization to a different level, to position it to be responsive rather than reactive, to astutely anticipate where the organization needs to be, transformational leadership is necessary. These two leadership types act together in a continuum.

Transformational leadership motivates people to do more than the expected by: (a) raising levels of consciousness about the importance and value of the organization’s goals; (b) getting others to transcend their own self-interest for the sake of the organization; and (c) moving people to address higher-level needs. Transformational leaders are change agents and are often regarded as having a greater effect than transactional leaders.

In order to move an organization forward, transformational leadership must focus on the members. Three fundamental goals of transformational leadership are: 1) helping develop and maintain a collaborative culture; 2) fostering staff/member development; and 3) helping people solve problems more effectively. Transformational leaders involve staff/members of the organization in collaborative goal-setting, sharing leadership by delegating power, and actively communicating the organization’s values. They inspire and energize, using goals that are explicit, ambitious, and realistic. Transformational leadership stimulates extra effort. It holds that staff/members as a group can develop better solutions than the leader can alone.

Vision is a critical characteristic of a transformational leader. The leader must create a compelling picture of the future with which people want to identify. Transformational leaders show new ways to look at old problems; they challenge the existing parameters and mental cages to which people or organizations subject themselves. Generally, they are charismatic without being narcissistic; they believe in themselves, but their greater belief is in others.

Transformational leaders set out to empower and nurture. They attempt to raise consciousness in individuals and encourage them to transcend their own self-interests for the sake of others. They listen to others and tolerate opposing viewpoints. The needs of others are central to the transformational leader. They address the needs and support the growth of those within their organization. They are confident and competent.

Why is transformational leadership effective?

In times of rapid change, it is vital that any organization or profession look into the future to determine where it will be in five or more years. Then it must plan on how to succeed in response to that scenario. Anticipating change and responding accordingly is part of the role of a transformational leader. Another is inspiring commitment to that vision.

Transformational leadership is different from other styles, as it stimulates creativity and innovation within others. It challenges existing beliefs and values. It promotes individual efforts to develop unique ways to solve problems.

Transformational leaders listen to the needs of those within their organization. They act as coaches and advisors.
Transformational Leadership in Practice: Members of the Iowa State University Procurement Team each have a voice in problem solving, process improvements, identifying key initiatives — in short, each member of the team has the opportunity to be an innovator.

First row: Nancy Brooks, Wendy Foster, Tisha Campbell, Lisa Thomas, Laurel Newman
Second row: Lesley Lackore, Cathy Beckman, Karen Server, Brian Burkheimer
Third row: Kelly Freel, Karl Wendi, Dennis Romsey
Fourth row: Cory Harms, Al Brooks, Jodi Renze

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while trying to assist individuals in becoming fully actualized. An example is a manager who spends time treating each employee in a caring and unique way. This intellectual stimulation and individualized consideration inspires motivation and commitment to higher expectations... to accepting and embracing change. The transformational leader empowers individuals to excel, creating energy and enthusiasm.

Change is not easy for many. It creates a climate of the unknown and uncertain. Effective leaders must be strong role models, be highly trusted and competent, and be clear in communicating the vision and goals. The transformational leader establishes direction while addressing the needs of the individuals within the organization. Not too many people go to work each day wanting to be failures. They want to be successful. The transformational leader aligns the needs of the individual with the needs of the organization.

Change is less intimidating or scary when change incorporates these individual needs. In such cases, change does not happen to the individual; the individual becomes part of the change. The transformational leader instills a sense of ownership, and embracing the change.

**Where is transformational leadership needed?**

Transformational leadership is important to any organization, profession, association, or business that must respond to the changes in our global socio-politico-economic society. It is important to any entity that wants to remain viable and survive.

Change is inevitable. Resistance to change is human nature. But resistance to change can be transformed into positive energy. Transformational leadership is necessary to move organizations into the future. It defines an organization’s value and position within the context of its environment. It looks forward. Transformational leadership motivates the transcendence of self-interests so that they benefit organizations, professions, associations, and communities.

Transformational leadership is fundamentally uplifting and effectively responsive to change. According to much research, there is substantial evidence that transformational leadership is effective. One could conclude that the need for transformational leadership will increase more as we progress further into the 21st century.

**Resources**


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**Nancy Brooks**

Nancy Brooks is Director of Purchasing at Iowa State University, and is also the 2008 - 2009 NAEP Board President. Employed by ISU since 1989, Ms. Brook's career began in the private sector as a purchasing agent in a large manufacturing facility. Her background also includes a number of years in the construction management field. She received her B.S. degree in Business and a Master's degree in Public Policy and Administration from Iowa State University.
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The Pitfalls of Decision-Making for Capital Procurement

by Brian Evans
Brigham Young University

Procurement personnel may be asked to prepare or review the analysis used to make a capital procurement decision, such as which item of equipment is most economical or should the institution lease or buy? Often, the requesting department has already performed its own analysis of those decisions and is looking to Procurement only to execute the transaction. Without delving into the politics or subtleties of challenging the work of others, the question still exists: “What are the pitfalls of the commonly used techniques to analyze capital procurements, such as Net Present Value (NPV), Return on Investment (ROI), Internal Rate of Return (IRR) or Payback Period?”

An example:

Central U is considering a capital procurement to acquire a new automatic rotary cylinder screen printing press. The table below accompanied the procurement request as economic justification for the purchase:

<table>
<thead>
<tr>
<th>Data Description</th>
<th>Data</th>
<th>Present Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase price of the new printer</td>
<td>$200,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Salvage value of the new printer</td>
<td>$10,000</td>
<td>$4,032</td>
</tr>
<tr>
<td>Operating life of the new printer</td>
<td>10 years</td>
<td>–</td>
</tr>
<tr>
<td>Annual savings in material cost</td>
<td>$7,500</td>
<td>$50,326</td>
</tr>
<tr>
<td>Annual savings in labor cost</td>
<td>$17,500</td>
<td>$117,426</td>
</tr>
<tr>
<td>Annual savings in variable overhead</td>
<td>$5,000</td>
<td>$33,550</td>
</tr>
<tr>
<td>Cost of capital discount rate</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

According to these standard techniques for analyzing capital investments, this decision is a no-brainer. All the signs are positive for the procurement to proceed: the NPV is positive, IRR exceeds the discount rate, payback occurs at two-thirds of the estimated life, and ROI is 15%. What’s not to like?

The decision appears simple, but consider this: when’s the last time you had a project sponsor bring forward a capital expenditure for approval that didn’t have positive estimated financial results and a rosy outlook? Probably never. That’s because no one would bother if the estimated results weren’t positive. In fact, some would argue that those managers who get what they want understand how best to “help” the numbers look good.

Let’s take a closer look at some of the considerations that didn’t make it into the analysis and how they might affect the ultimate decision:

1. The purchase price does not include a maintenance contract which the manufacturer strongly recommends ($2,000 per year). Discussions with other buyers suggest that those who have turned down the maintenance contract paid for it in the long run.

2. Ten years of use for the press is probably the outside of the envelope. The best intelligence suggests that the probability of continued use for six years is high, eight is normal, and ten is remote.

3. The savings for materials appear real in the long run; however, the calculated savings ignored the fact that stock supplies currently in inventory do not work with the proposed equipment and must be replaced. As a result, there are no savings of material costs in year one.

4. The estimated savings in labor cost ignore the “learning curve.” They assume that optimal operating efficiency will be achieved the day after installation. Based on data from the last press acquisition, optimal efficiency will not be obtained for 18 months (this reduces savings $5,000 in year one and $2,500 in year two).

5. Finally, removal of the old press and installation of the new press will close part of the operation for one week ($5,000 impact) and cost an additional $5,000 in out-of-pocket costs.

After revising the financial analysis for the new information, the picture looks like this:

<table>
<thead>
<tr>
<th>Revised Conclusions (see endnote)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Present Value ($56,666)</td>
</tr>
<tr>
<td>Internal Rate of Return 87%</td>
</tr>
<tr>
<td>Payback Period 7.8 years</td>
</tr>
<tr>
<td>Year 1 Return on Investment 2.75%</td>
</tr>
</tbody>
</table>

Additional due diligence has demonstrated that the decision does not look nearly as promising as it once did. NPV is now negative, IRR has nearly vanished, the payback period had extended to nearly the entire expected life of the asset, and the ROI in year one is under three percent.

While subjective considerations are certainly arguable, ignoring relevant facts is not. This illustration does not necessarily demonstrate that the press should not be purchased, but it does indicate that more homework is needed before that decision is made. It is instructive to remember that financial and analytical tools are not absolute truths. They are simply tools to help managers organize information around the decisions they face.

Note: It is beyond the purpose of this article to delve into the details of how the values shown are computed. The time-value-of-money techniques such as PV, NPV, and IRR are taught in most intermediate accounting courses.

Brian Evans is CFO for Brigham Young University, responsible for purchasing and other financial matters including accounting, investments, budgeting, internal audit, treasury services, travel, and student financial services. Prior to working at BYU, Brian was a partner in the Business Consulting practice at Arthur Andersen. Brian is a 1980 graduate of BYU with a BS in Accounting and holds an MBA (1981) from Oregon State University. He is Certified Public Accountant and a Certified Fraud Examiner.
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"Austin Was a Home Run!"

NAEP’s 87th Annual Meeting & Exposition was a huge success, bringing together members from all over the country with suppliers and thought leaders for three days of sharing concerns, experiences, solutions, and having a grand time while doing so!

The true spirit of our community was demonstrated by the success of our Silent Auction, which raised a record-breaking $5K for the William E. Haas Scholarship Fund. This fund awards grants to help members attend professional development courses. The success of this year’s Silent Auction is due to the efforts of two NAEP volunteers who planned and produced it. These marketing impresarios are Karen L. Gross, C.P.M., CPPB, CTPM, University of Texas Medical Branch, Galveston, Texas; and Alan A. Phillips, CPPB, CTPM, University of Houston, Texas.

The highlight of the meeting is always the awards luncheon, where we recognize those among us who have made accomplishments during the year.

NAEP’s highest honor is the Bert C. Ahrens Award, recognizing a former or present member who has made outstanding contributions to NAEP and the procurement profession over an extended period of time.

For the first time in NAEP history, there were two winners of the Bert C. Ahrens Award: Tory Windley, University of Delaware (recently retired); and William E. Haas, Virginia Tech (retired).

The Distinguished Service Awards went to three people: Robert Wood, North Carolina State University; Valerie Rhodes-Sorrelle, Grand Valley State University; and Michael Chmielewski, Law School Admission Council.

The Professional Perspective Award, for the outstanding article in NAEP’s Journal of Educational Procurement, went to seven contributors to the Journal article titled “Calculating Procurement’s Value.” These are: Brian Rounsavill, Princeton University; Chris Mihok, Yale University; Jim Hines, University of California-San Francisco; Judy Smith, University of Michigan; John Riley, Arizona State University; Kevin Lyons, Rutgers, State University of New Jersey; and Michael LaPointe, University of Illinois-Urbana Champaign.
While our sessions have a reputation for being straight up with no bull, a mechanical bull in the exhibit hall was in homage to our Austin location and provided members with the ride of their lives!

Other 2008 NAEP Award winners include:

The Neil D. Markee Communicator of the Year Award went to Cory Harms, Iowa State University.

A new award, Mentor of the Year, was won by Robert Ashby, University of Nevada-Las Vegas (retired).

The Young Professional in Procurement Award went to Brad Leigh, Northeastern College Universities College of Medicine.

The Award of Excellence in Procurement, given to an institution for excellence related to its mission, went to Virginia Polytechnic Institute & State University.

The Nancy Trego Scholarship, created to honor Nancy's legacy and to encourage others to become active in NAEP, went to Linda Jroski, Lafayette College.
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What Will It Be?

by Brian Yeoman
NAEP

There should be little doubt in anyone's mind that sometime - most probably in early 2009 - the U.S. will join the rest of the world in recognizing the role of carbon emissions in climate change. This will be a monumental shift in public policy, following the byzantine thinking of the last eight years, much to the angst of most other industrialized nations.

You know in your heart of hearts: It is coming. More than 525 of our member institutions have signed on to the American Colleges and University Presidents' Climate Challenge (ACUPCC). A central theme is the elimination of carbon emissions. This organization, which NAEP supports, has a goal of 1,000 colleges and university members by January 1, 2009. If there is this much action taking place on your campus, you know you're going mainstream.

As commendable as this is, there are important details that still must be worked out. Reducing carbon emissions is essential. A big question falls on the policy side of this issue. As a country, are we going to do this in a voluntary manner or via regulation? Two thorny questions are, "Who is going to do it?" and "What is it going to cost?" There is a great sense of urgency among many of the scientists. These concerns are driving the next questions which are, "When is it going to start?" and "At what scale is it going to happen to be meaningful?"

The upcoming presidential election will help to frame the answers. Each of the remaining candidates has already communicated the preference toward a market-based approach using a cap-and-trade methodology. The Senate is very much thinking the same... so much so that there are three competing bills, each predicated on cap-and-trade. The leading bill is the Lieberman-Warner bill. There is some talk that it will pass on the Senate floor this fall.

A cap-and-trade system assumes a governmentally set limit on the country's total carbon emissions. It likely would do this in terms of tons of CO₂ equivalents, the internationally recognized standard. Emitters are given a cap allowance. If they emit more than their allowance, they have to purchase credits from other emitters who emit less than their allowance. The methodology establishes a protocol for registering overages and reductions. Emitters who reduce cost-effectively are incentivized by the accompanying Return on Investment, realized both in cost reductions and in the revenue generated from the sale of these credits.

The CO₂ credits are traded in an orderly and organized market, just like any reputable securities exchange. The Chicago Climate Exchange is a perfect example. Traders connect buyers and sellers for a fee. Price is determined via the same supply-and-demand forces that govern any free-market system. The marketplace can trade not only in current year credits, but also prior years' and future years' credits.

Theoretically, this marketplace system can work. It did so under the EPA's leadership for SO₂ (sulfates). The system to address the acid rain problems in the Northeast have been addressed nicely. As a routine part of the rules for this particular cap-and-trade system, the government steadily reduces the allowance to emit, thus improving the total national performance against an international agreement.

As a rule, incentive-based programs have risks associated with them. This instance is no different. One might argue that the only real winners in a cap-and-trade system will be the traders who will make millions buying and selling what some may regard as a license to do harm.

The alternative is a carbon tax. I know the last thing many of you want is another tax but, give me a minute. Would it not make sense that if we really want CO₂ emissions to be reduced, the simplest and most direct way is perhaps to tax the behavior we want to stop? On the extreme end, I suppose you could tax it out of business. On the middle point, however, you could make it hurt enough to nudge the behavior we want.

If the approach to a carbon tax were phased in over a reasonable timeframe, it is not logical to think that the economic consequences can be minimized? Is it not logical to also think that the emitters would begin to move towards eliminating their emissions? Yes, perhaps some of the big emitters will simply pass the tax on to the consumer. But I believe that market forces would favor those who change their behavior, avoid the tax, and pass on the savings.

There is a well-placed concern that the cap-and-trade system will be volatile. There is also a concern that that volatility could affect our entire economic system, making it more erratic as a result. And there remains a fair amount of skepticism about the creation of a trillion-dollar industry for which the value added is questionable?

There are doubtless many more pros and cons to this issue. The fact remains that a cap-and-trade system is coming to higher education, and it is coming very fast. Before too long, there is apt to be little opportunity to engage your legislative liaisons and formulate whatever position your college or university concludes is the better solution of the two discussed above. I believe our politicians are substantially uneducated in this regard and, quite frankly, are in need of instruction. They can't lead effectively until they've been informed. Currently, there are too few sources of knowledge doing the right kind of lobbying.

I would like to believe that higher education as a whole would take up this issue and take a stand in favor of the taxation method of solving the problem. That may be more to expect than is reasonable... but as you know, I believe you can do great things!! What will it be?

Brian K. Yeoman,
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and Development at
NAEP, is the retired
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In recent articles in the Journal, I introduced you to some ladies who understood that achieving their Certified Purchasing Manager (C.P.M.) designation would be easier if they formed a study group. I noted that since these ladies lived in such diverse areas as Alaska, California, Maine, and Massachusetts, they realized that their study group would have to meet online and in real time. Last, I told you that they proceeded to form their group, decree that their motto would be “one for all and all for one,” and called themselves The Musketeers. When I agreed to help, they dubbed me the Trail Boss since my job was to “drive” them down the C.P.M. trail to the Austin Conference.

Were they successful? Following their plan of daily studying (to the extent possible), cussing and discussing Sample Exam Questions, propping each other up during difficult times, giving each other encouragement, cajoling as needed, and, in general, doing everything necessary to pass, they: (1) became best friends, and (2) became C.P.M.s. At the recent NAEP Annual Meeting in Austin, Texas, I was given the privilege of introducing those ladies at the awards banquet and presenting them their well-deserved recognition, complete with red-plumed Musketeer hats. What a treat!

Is that the end of the Musketeers? No; these ladies, as a group, have been “paying it forward” by helping others to form a new
Musketeers group. With me still as Trail Boss, this band has 10 active warriors, with six already having passed two, three having passed three, and one having passed all four exams.

The positive response our Musketeers enjoyed in Austin has resulted in four new leads about starting yet more new groups. I first ask them if they embrace the goal of achieving certification. I explain that a goal is a dream... with a plan and timetable. Anything less is just a dream.

Do YOU want to become a C.P.M.? You can do it if you have a S.M.A.R.T. plan:

- **Simple**
- **Measurable**
- **Attainable**
- **Realistic**
- **Time-Defined**

SIMPLE! I’ll tell you what study materials you need. I’ll give you effective supplemental study materials. I’ll provide you Sample Exam questions that demonstrate the exam’s style and content. I’ll share feedback from recent test-takers that tell what subject matter they saw on their exam (sorry, no actual questions). And I’ll explain how to use them in your study group.

MEASURABLE? While the nationwide passing rate is at best 65%, we have been achieving better than an 80% rate within our overall group. Immediately upon completing your test, you will know whether or not you passed, and if not, on what parts you performed well and on those you need more work.

ATTAINABLE? If you are unsure of your ability to pass the tests, reread all of the above. Not all of the Musketeers passed each test on their first try, but all of them did eventually, with diligence and persistence. The goal is attainable.

REALISTIC? Each Musketeer gleefully attests to the reality of her/his C.P.M. certificate. Each will also attest to the benefits of a study group. They will attest to the benefit of the all-for-one-and-one-for-all attitude. The model’s success is real.

TIME-DEFINED? If you have been reading these articles, if you attended the Conference, if you have visited ISM’s Website (ism.ws), you know that the last day to register for the C.P.M. test is December 31, 2008. After that, the C.P.M. will be replaced by the CPSM, a certification designed more for the Manager than the Buyer, and one that requires a Bachelor Degree. So, yes, there is a deadline here, and your plan must factor it in.

Do you need a Trail Boss to crack the whip? Look around. Maybe it’s your boss. Maybe it’s your co-worker. Maybe it’s one of your NAEP Regional Officers. Or maybe it’s you. Regardless, I am willing to train your trainer. If you cannot find a Trail Boss, have your Region hold a “How to Pass the Tests” workshop at your next Regional Conference. Or perhaps ask your school to hire an instructor. I can help.

The bottom line, though, is to get S.M.A.R.T. before it is too late.

Have questions? Contact Bob Ashby, C.P.M., CPCM, Retired Director, University of Nevada Las Vegas at ashbybob@sbcglobal.net.

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**Bob Ashby, C.P.M., CPCM**, is retired from his position as the Director of Purchasing and Contracts for the University of Nevada, Las Vegas (UNLV), where he also served as an adjunct professor in the Management Department. Bob has been active in NAEP for 9 years and in 2006 was given NAEP’s Distinguished Service Award.

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Lessons Learned

by Craig W. Passey
Brigham Young University

Gathering opinions for an upcoming article on "purchasing ethics," I asked many of you at our recent Annual Meeting what area of your responsibilities had produced challenges. A woman, who wisely remained anonymous, summed up many of our thoughts by saying, “Anything dealing with athletics!” Business deals involving our athletics departments seem to be synonymous with strong personalities and opinions.

Sidestepping inherent pitfalls with athletics is almost an art form. After two decades, I vividly recall a lesson shared by Ron Santi, past national president (1990) and retired director of business affairs at Iowa State. Attending a fall Regional Meeting at Utah State University 20+ years ago, he told us ISU’s athletic department decided to send him season football tickets as a gesture of gratitude. He wrestled with his course of action. Did he breach his personal ethics by accepting this expensive gift, or did he return it and risk offending the giver? Hitting upon a compromise, he accepted the tickets but made an offsetting donation to the athletic department. That worked well until a local newspaper reporter published a list of everyone receiving free football tickets. Of course, Ron’s donations were overlooked and he was the target of scrutiny by many, including his own boss who was miffed he hadn’t received free tickets. At this point in the conversation, Ray Larsen, purchasing director at ISU, injected his typical wit: “With everything the coaches put us through, they ought to give us the game ball!” After the participants chuckled, Ron Santi made his point: “The appearance of being ethical is just as important as being ethical.”

Steve Mack often posed the question: “What dumb statements have you heard during a negotiation?” In response, I recalled negotiating equipment for a weight training room with a potential supplier. The athletic director introduced us to the sales rep as “key players on our team” and “in charge of setting the price and business terms.” He then added, “Your equipment is expensive and exceeds our budget, but it’s the best and we’ll find the money somewhere!” I turned to my colleague and whispered, “Yeah – we’re on the team; we’re the water boys at the end of the bench!”

Little did I know that many years later, I would be traveling with the football team and handling their travel arrangements. I cherish my associations with coaches and staff but particularly am aware that maturing in the profession has meant learning from my peers to appreciate the perspective of others – especially our customers.

What I truly cherish after 30 years are the many mentors and teachers in this profession. Two of those who helped many of us navigate past the pitfalls by sharing personal triumphs and mistakes were Ron Santi who retired in 2000 and Ray Larsen who sadly passed away in March of this year. This “Best and Final” is a tribute to those who spent their lives helping us become the best. As long as we remember their example, their teaching is never final.
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