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Cover Story
Leadership Through Volunteering

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The Long and Winding Road: The Evolution of Purchasing Careers
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To be a volunteer is to turn your good intentions into actions. Those actions nurture the present and create a future of which we can all be proud. During the past 92 years, volunteerism has made NAEP the success it is today. Tomorrow is up to you.

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IN-PERSON EVENTS
Strategic Procurement Institute
August 26-28, 2013
Denver, CO

Procurement Academy (Tiers I, II, & III)
February 2014
Location TBD

2014 Annual Meeting & Exposition
May 18-21, 2014
Louisville, KY

Supplier Diversity Institute
August 2013
Chicago, IL

VIRTUAL ROUNDTABLES*
July: Strategic Procurement
August: Outsourcing Facilities Management
September: Sustainability
October: Performance Contracting
November: Supplier Diversity
December: Outsourcing Bookstore

*Dates TBD and subjects are tentative. Visit www.NAEPnet.org for details

REGIONAL MEETING SCHEDULE

TOAL – September 15-18
Theme: Let’s Wrangle Up Some Savings
Embassy Suites Hotel & Convention Center
Frisco, TX

Kentucky – September 22-24
Lake Cumberland State Resort Park
Lure Lodge, KY

TAG&M – September 22-25
Theme: Staying Connected
Renaissance Hotel-Downtown Nashville
Nashville, TN

Great Plains – October 6-9
Ramada Mall of America | Minneapolis, MN

District II: (includes Metro NY/NJ, DC/MD/VA & DE/PA/WV) – October 7-9
Theme: Race for the Future
Dover Downs Hotel & Casino | Dover, DE

District VI (Includes Northwest, Pacific & Rocky Mountain) – October 13-16
Theme: Endless Possibilities
Sunriver Resort | Sunriver, OR

New England – October 20-23
Theme: The Power of Collaboration
The Sheraton Monarch | Springfield, MA

Upstate NY – October 8-11
Theme: On the Edge: Procurement in a Rapidly Changing Environment
Sheraton At The Falls Hotel | Niagara Falls, NY

Great Lakes – October 9-11
Gillespie Conference Center at Hilton Garden Inn South Bend, IN

Carolinas – November 16-20
The Grove Park Inn | Asheville, NC

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A Rewarding Journey Begins with a First Step

Doreen Murner
CEO, NAEP

O ur volunteers drive NAEP. While we have a small but mighty staff, our membership volunteers give freely of their valuable time and energy to help build NAEP into a world-class association that delivers specific content and solutions to help all of our Members succeed. Just look to the left of this column and you’ll see the names of our volunteer Editorial Board, who consistently guides this publication to new heights.

I would like to offer a hearty “thank you” to all of our current volunteers. In addition to all of our hard-working committees, we had more than 150 volunteers at our Annual Meeting this past April in Orlando, and each of them were integral to the success of the event! Volunteering with your professional association can be a rewarding experience. Our “Puppy Pals” at the Annual Meeting were great examples of volunteering in action.

Our community service project this year was to raise funds for the full training of a service-guide dog trained at-risk middle school youth in the Tampa, Florida area, through a program called Kids & Canines. During the Annual Meeting, we had the opportunity to vote on a name for the puppy and more importantly see two puppies-in-training and hear from two young people who told us how this program has helped them turn around their lives. Many of you had the opportunity to meet these students and puppies in the Exhibit Hall. Thanks to six volunteer “Puppy Pals” who canvassed the Meeting and Exhibit Hall, we raised nearly $3,000 towards the cost of training one puppy. Without these individuals volunteering their time and talent, we would not have raised half that amount for such a worthy organization.

To paraphrase Valerie Rhodes-Sorrelle in her incoming President’s Speech at the Annual Meeting, ask yourself this question when you consider volunteering: Do you want to continue using your existing skill sets (status quo) or do you want to foster new skills and gain new experiences (make a difference)? Ready to jump in but not sure where you should start? Call the National Office and we’ll help connect you to the right opportunity. A rewarding journey starts with a first step. P.S. After the final votes were tallied, you named the puppy Nutmeg.
Higher education is definitely making its presence felt in e-procurement. We are the sector that appears to be leading the charge to make e-procurement more efficient and innovative, and many of our institutions are in different phases of researching, implementing or expanding our e-procurement footprint.

While the e-procurement software that exists is becoming more robust and complete, many of our vendors are still struggling with the best practices of creating truly functional catalogs for these platforms. Most vendors can create a web catalog, but creating a fully functional punch-out catalog (see definition in last paragraph) is not always possible. Some rely on the hosted catalog; some can create a basic punch-out; and some struggle with any type of e-procurement site. There are also those that can create truly wonderful e-commerce experiences.

What is missing from many of these e-procurement systems and the vendor online catalogs is a true audit mechanism.

While most vendors are more than happy to be part of your e-procurement platform and can readily load pricing, it is difficult to work with them to set up regular audits or to even provide you a mechanism to validate contract pricing, and the e-procurement software provides you with tools to validate pricing extracts—but that is not really practical for catalogs with thousands, if not hundreds of thousands of items, many of which you may not ever purchase. That is not to say that this was any easier before e-procurement; my point is that the e-procurement tools should make this process easier.

The advantage that e-procurement can bring is the data. We can capture catalog numbers, prices, quantities, dates, part numbers, etc. This allows us to see so much more than we did when we issued a purchase order and allowed the department to release orders by phone, fax, or email against those contracts. The problem with this transparency is that we may become complacent. The web catalog may provide us with a false sense of security that mistakes can’t be made.

I believe we need to be even more vigilant with auditing now that these platforms give us the data we need to validate pricing. We should be auditing both sides of the transaction to make sure that not only is the correct contract pricing represented in the catalog, but that the correct price is charged against orders.

Depending on how large your e-procurement offering is (a few vendors or hundreds), this can be a major undertaking. The first step is to work with each vendor to outline an audit process. You will need to work with them to find a way to access the vendor’s base price for a particular item and then be able to apply your contract discount to it to find your contract price. This is compared to the price represented in your e-procurement catalog. Some vendors can do this easily and others may struggle with it. Set pricing contracts are very simple but catalogs with hundreds of thousands of items that have different discount levels can be challenging. A good practice is to perform a comprehensive sample to bring all vendors up to date and then do monthly or quarterly spot checks (small samples) to watch for any discrepancies. If any discrepancies are present in the small sample, pull a larger sample to see if the issue is broader than the initial sample.

Another audit that is beneficial is the price-paid versus price-ordered check to ensure compliance. This may already be performed in your PO system, but if not, or if your PO system tolerance allows for discrepancies at a certain level, then this audit is beneficial to help find errors. These errors could be caused by pricing errors or charges for items that should be included in your contract (free freight, fuel surcharges, etc.).

I am not trying to allude that vendors are dishonest in these pricing issues. I believe these errors are the result of the technology moving faster than we or the vendors can sometimes keep pace with. The point I am trying to make is that we need to utilize this new wealth of data to ensure that the systems are operating correctly and our users are truly getting the great prices we have negotiated.

If you decide to take up the challenge of auditing e-procurement, I wish you luck. Some vendors will be able to provide you with what you need immediately and others will struggle. Whatever happens, you will be better off for doing it.

Punch-Out Definition

A punch-out catalog is an e-procurement software application that allows an institutional purchaser to access a web-based catalog with specific contract pricing from within the institution’s procurement application. The purchaser leaves or “punches out” to the supplier’s catalog to locate and order products. The application maintains connection with the institutions procurement system to transmit item data back to the procurement system.
Leadership Through Volunteering

by Valerie Rhodes-Sorrelle, M.P.A., C.P.M.
Grand Valley State University

Meeting Today’s Challenges
To the National Association of Educational Procurement (NAEP), a volunteer is much more than a person who renders aid, performs a service, and gives of his or her time and talent. Of course, those attributes are wonderful. But to us, volunteers are truly the backbone of our organization. We appreciate the contributions of our volunteers tremendously and value their commitment to the mission and goals of NAEP. Our Members have a ton of talent and we rely on your expertise to meet new challenges and drive success across and even beyond our organization. September 2009 and September 2010, more than 18 million volunteered through a membership organization.1

Today, we need our volunteers more than ever. Similar to a commercial business, our organization requires a variety of skill sets, knowledge, and experience to manage operations and meet mission-critical mandates. We need many hands to get a number of jobs done. Let me share a few examples of the number of volunteers that it takes to help make NAEP successful. The following NAEP committees and boards require approximately 70 volunteers to operate in 2012–13:

- Program Committee – 22 Total Volunteers
- Volunteer Speakers – Approximately 55 Volunteer Session Speakers
- Moderators – 35 Member Volunteers
- Registration – 11 Member Volunteers
- Silent Auction – 6 Member Volunteers
- Exhibitor Registration – 13 Member Volunteers
- Host Committee – 13 Member Volunteers
- New Attendee Guides – 7 Member Volunteers

Therefore, the Association needs more than 230 annual volunteers to remain strong and operate efficiently! We need your help to meet this goal.

The Leadership Connection
Leaders are not always born, but they can be developed and created. NAEP provides volunteers with the opportunity to give and grow. Our Association becomes stronger and is able to enhance membership benefits through the efforts of our volunteers.

Through volunteering, not only does NAEP win, but so do you and your institution. Procurement is undergoing broad transformation, and industry leaders are expected to be more strategic than ever before. At the same time, budgets are fixed or shrinking and there are few opportunities for professional training. Getting involved gives you an opportunity to develop and sharpen your leadership abilities without straining departmental or institutional budgets, and the valuable experience you receive through volunteering with NAEP can often be utilized by you professionally and by your institution.

One of the key strategic recommendations from the 2012 NAEP Innovators Forum was to prepare staff and develop leadership. “Regardless of budget cuts, procurement officers must prepare their staff to support the shift from tactical to strategic and develop procurement leaders by enhancing professional development opportunities,” the authors noted. They stated that, “To facilitate the evolving role of procurement professionals, skills development and training are needs in all of the following areas:”2

- Data Collection, Statistical Analysis and Reporting;
- Negotiations;
- Leadership;
- Relationship Management;

<table>
<thead>
<tr>
<th>NAEP Committee</th>
<th>Total Volunteers Required</th>
<th>Volunteer Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Editorial Board</td>
<td>12</td>
<td>7 Members, 2 Co-Chairs, 1 Managing Editor, 1 E&amp;I Representative, 2 Board Liaisons</td>
</tr>
<tr>
<td>Membership</td>
<td>13</td>
<td>6 Members, 2 Co-Chairs, 2 E&amp;I Representatives, 1 E&amp;I Liaison, 2 Board Liaisons</td>
</tr>
<tr>
<td>Professional Development &amp; Electronic Communication</td>
<td>15</td>
<td>11 Members, 2 Co-Chairs, 2 Board Liaisons</td>
</tr>
<tr>
<td>Scholarship</td>
<td>9</td>
<td>5 Members and 2 Co-Chairs, 2 Board Liaisons</td>
</tr>
<tr>
<td>Sustainability</td>
<td>11</td>
<td>7 Members, 2 Co-Chairs, 2 Board Liaisons</td>
</tr>
<tr>
<td>Nationally Elected Board of Directors</td>
<td>7</td>
<td>6 Members and 1 E&amp;I Liaison</td>
</tr>
<tr>
<td>District Board Representative</td>
<td>6</td>
<td>6 Member Volunteers</td>
</tr>
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We are not alone in this view. A recent report from the American Society for Association Executives (ASAE), entitled “Associations Matter,” outlines the powerful impact associations like NAEP make to the economic, social, and cultural fabric of our nation and notes: “Beyond their specific mission or purpose, associations are often able to leverage their members’ expertise and other resources to address a social need and improve our collective quality of life.” Moreover, “of the 63 million people who volunteered in the United States between...”
• Holistic Understanding of the Role of Procurement;
• Risk Identification and Management;
• Business Case Development;
• Communication and Marketing;
• Leadership and Succession Training/Planning;
• Conflict Resolution;
• Partnership;
• Legal Skills.

I can think of no easier or more valuable way to pursue such professional skills development than through volunteering for NAEP.

My Personal Experience

Let me share why I chose to volunteer and have continued to do so for many years. When I began my career in procurement, I wanted to learn more about the profession and industry at large. I started attending and volunteering at regional meetings.

As pointed out in the ASAE study, "With their focus on professional development and training, associations host a wide range of meetings, seminars, conventions, trade shows and other events in cities across the United States and abroad." Many are taking advantage of the opportunity to attend association events. In fact, a total of 205 million people attend the estimated 1.8 million association meetings, trade shows, conventions, congresses, incentive events and more, which take place each year in the U.S. "The meetings are vehicles for job training and education, generate sales revenue, link domestic and foreign buyers, and foster lasting relationships in personal environments that build trust and unity."3

Association events provided me with the opportunity to ask questions about a wide range of issues related to procurement, including inventory control, logistics, and vendor management just to name a few. I also wanted to meet other colleagues who had chosen procurement as their profession. Volunteering and attending association events helped make those connections. To have other procurement professionals with whom I could discuss product and service information, collaborate with on projects, and turn to for advice has been invaluable throughout my career. You become more knowledgeable when working with other procurement professionals and networking remains one of my favorite activities during regional and annual conferences. It's great to be able to bounce ideas around with others who may be involved in a similar project or who have already done what your institution is currently in the process of implementing. Take it from me; you simply cannot put a price on what you gain from volunteering. The benefits of serving will largely outweigh the time you commit to a committee, conference, industry or regional event.

Current NAEP Opportunities

NAEP has an annual call for volunteers; however, volunteer leaders are needed on both the Regional and National levels now. Please consider becoming involved and sharing your talents with us by volunteer-
Collaborative, continued from page 11

Volunteer, the learning process continues year after year, your professional network expands, and you help to advance procurement in higher education.

In his recent article, “The Value of Volunteering,” career coach Daniel Martinage, CAE, notes, “Volunteering for a professional society or trade association provides several benefits, including the opportunity to network with your peers around your professional background or interests. It also exposes you to trends and best practices within your profession and gives you leadership training and experience.”

Volunteering can also bring out hidden talents of which you were unaware—and for which we have a desperate need. You may have fundraising, speaking, writing, planning or organizing skills that are always valuable to a nonprofit organization such as ours. Plus, volunteering gives you an opportunity to help shape the future of procurement and mold new procurement professionals entering into the field by being a mentor. Says Martinage, “As our careers advance, different drivers or motivators come into play. Very often, what changes the most is our desire to give back to the profession or community that has contributed to our success. We switch our focus from being mentored to mentoring—or from getting experience to giving experience.”

What better way to show leadership than by helping someone to become successful at his or her institution through a volunteer experience? Contact us today to get involved and help others to do the same.


Ibid.

Valerie Rhodes-Sorrelle, M.P.A, C.P.M., 2013-2014 President of NAEP, is Senior Strategic Sourcing Specialist at Grand Valley State University, Allendale, Michigan, where she has worked for more than 20 years in the Procurement Services Department. She is a corporate member of the Michigan Minority Supplier Development Council and member of the Positive Black Women organization, where she served as Treasurer for more than 10 years. She has served on the Women of Achievement & Courage Committee for the Michigan Women’s Foundation for over a decade. She has a B.S. from Ferris State University and a Master of Public Administration from Grand Valley State University. Ms. Rhodes-Sorrelle writes for NAEP’s Journal of Educational Procurement and serves on the Association’s Editorial Board. Email: rhodesv@gvsu.edu.
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Historical Perspective—Risk Management in Higher Education

A commonly held view in higher education has been that risk management equaled buying insurance. Prior to the 1980s, institutions of higher education used local brokers and agents to purchase policies that included general liability, errors and omissions and property. They also purchased additional coverages such as worker’s compensation, crime and fidelity, intercollegiate athletics, and inland marine.

The responsibility for the risk management function typically was not a full time position but rather was combined with other jobs in the organization. It might be included in the job description for the Purchasing Officer, Business Officer or other similar position. The value placed on this activity was rather low and its position was often buried within the organization.

The 1980s saw the hardening of the insurance market. Insurance coverages were thin, premiums were excessively high, and institutions had little or no control over losses, claims, or cost. Colleges and universities began to investigate alternatives to purchasing insurance on the traditional market. Some institutions introduced mechanisms such as captives, group buying collectives, risk-sharing facilities and reciprocal risk retention groups. This period saw the formation of collaborative organizations such as United Educators Insurance in 1987.

In my state the business officers of Michigan’s state institutions recognized the need for exploring such alternatives to provide affordable insurance. They formed a task force of college and university business office staff, risk managers and attorneys. The task force engaged an insurance broker and consultant to assist with the project. Their months of work and a favorable opinion from the Michigan Attorney General’s Office resulted in the formation of a risk sharing facility, the Michigan Universities Self-Insurance Corporation (M.U.S.I.C.). It comprised 12 of the state’s 13 public colleges and universities.

The theme of collaboration continued in 2000 when one of M.U.S.I.C.’s members incurred a large property fire loss and options for the property renewal all but disappeared. It so happened that the Midwestern Higher Education Compact (MHEC) had established a master property program in 1994. M.U.S.I.C. approached MHEC for entry into the program, which MHEC approved at favorable rates because of the emphasis M.U.S.I.C. placed on loss control and risk management.

The goals of these types of collaborations are to provide:
- Breadth and relevance of coverage unique to higher education;
- Loss control and claims management;
- Cost containment and stability;
- Collaboration and risk sharing.

These kinds of collaborative initiatives have driven risk management efforts in higher education to be more proactive, less reactive. They have produced significant premium savings in an increasingly dismal budget climate. In addition many of these programs have produced dividends, which is virtually unheard of in the commercial insurance world. The dividends are based on the total experience of the program and each individual member. They represent hard dollars returned back to the participating members. For example, as a result of a favorable loss experience over its history, M.U.S.I.C., since its inception, has returned over $30 million. This represents a substantial return on investment in an effective risk management function.

Future Perspective—Enterprise Risk Management (ERM)

After the plague of Enron-type scandals in the late 1990s, ERM was one of the processes that emerged from the Sarbanes Oxley regulatory reform. ERM has been practiced in the private sector, and bond rating agencies such as Standard & Poor’s began asking about ERM in the public sector and, in particular, universities. As a result ERM began to appear on the agendas of higher education associations such as the National Association of College University Business Officers, the Association of Governing Boards of Universities and Colleges, and the University Risk Management and Insurance Association.

The application of ERM in use at my institution Grand Valley State University is:

Your institution’s Procurement staff should be represented in the membership of these organizations to increase their awareness of new SBE/SDBE suppliers and the availability of specific support programs.
To embed Risk Management into the strategic goals, governance and operations of the enterprise, i.e. the University. Simply put, it is a way to more effectively manage all of the risks that exist at the University.

There are five major components or risk categories in ERM.

1. Strategic—In developing strategic plans, the institution must identify and analyze the risks associated with each strategy.

2. Operational—In conducting the day-to-day operations to achieve the its goals, the institution must constantly identify and assess the operational risks associated with achieving those goals.

3. Financial—Safeguarding the assets is primarily the focus of the finance & administration division with assistance from risk management.

4. Compliance—The institution must assure compliance with the myriad laws and regulations governing its operations, funding and mission accomplishment.

5. Reputational—Safeguarding the institution’s public image is paramount to achieving its goals.

**Procurement and Risk Management**

So what does this mean for procurement services in higher education? According to Richard Russill in his *A Short Guide to Procurement Risk*, “the ultimate goal of risk management is to protect and enhance what the enterprise is primarily there to do. In the private sector the aim is profitable survival. The public sector equivalent is to deliver maximum service and organizational effectiveness within the constraints of the resources provided to do it. This includes money.”

The first step in the risk management process is to identify the risks associated with a particular activity. The potential risk areas that higher education procurement professionals might encounter include:

- Identifying the need and planning the purchase;
- Developing the specification;
- Selecting the purchasing method;
- Developing the purchasing documentation;
- Inviting, clarifying and closing bids;
- Evaluating bids;
- Selecting the successful bidder;
- Negotiations;
- Contract management;
- Evaluating the procurement process;
- Disposal of surplus.

Once the risks are identified, the next step is to assess them. This involves analyzing the potential impacts on the institution. It is accomplished by considering the likelihood (probability) that the risk will occur and the severity (financial and other [reputation / political] costs) of the result. Those risks identified as highly probable and costly should be the first ones the institution should address. This is where the institution’s risk management office (or equivalent function) can help relative to those risks affecting procurement.

*Continued on page 16*
The Risk Management Office can provide information, tools, and advice on how to prioritize and manage the risks:
1. Avoid—This is the simplest and surest method when the risk of loss is too great and too many things could go wrong;
2. Assume/retain—When the exposure will not seriously impact the institution’s finances or operations;
3. Control—Take steps to reduce the probability of occurrence;
4. Reduce—Take measures to reduce the severity and cost of losses;
5. Transfer/Finance—Purchase insurance.

Conclusion: It’s OK to Cross the Silos

The goal of the risk management office is to instill risk management into critical thinking. Effectively managing risk in higher education must include an emphatic rejection of the risk avoidance mentality—“thou shalt not”—in favor of a risk management approach—“thou shalt proceed thoughtfully with critical thinking and advance planning.” Managing risk must be added to the key decision factors of mission, strategic planning, funding, human resources and space.

Everyone is a risk manager. Every day risks are identified, assessed and treated as we do our jobs and live our lives. I urge you to cross the silos and contact your risk manager to advise and help you as you accomplish your procurement role.

Bibliography

Back in 1953—ancient history to a generation raised on Xbox, but not so long ago to me—anyone looking under the hood of a new Ford pickup truck (someone with just a passing knowledge of internal combustion engines) could identify all its working parts: water pump, spark plugs, starter, to name a few. For the most part, there were only about 25 major parts, or so it seemed.

Flash forward 60 years to the 2013 Ford F-150. Forget looking under the hood. The dashboard alone is a challenge to any ordinary operator, short of digging into the owner’s manual. Look under that hood and it is a challenge to find something as basic as the oil filter. Substantial technological changes like those in automobile specifications have emerged across every industry for items that purchasing professionals buy every day. Not surprisingly, the purchasing profession has been evolving to keep up with those changes. One big evolution is how people enter the profession.

Not too long ago, many people who considered themselves purchasing professionals would probably claim that they “fell into it.” Few chose it as a career field since there was not a lot of attention paid to it as such. I am a prime example. In 1983, I completed a Master’s Degree in Public Administration and had no thoughts about purchasing as a career until I was fortunate enough to be named by then-Governor of Delaware Tom Carper to be the State’s Director of Purchasing. He wanted me to improve the Purchasing Division, and I happened to get my first taste of the profession at that time. I liked it and, since then, have had other opportunities to work in purchasing organizations. I suspect this story is repeated by many professionals who have spent a long career in the field. More evidence can be found in a comment by a recruitment website for a contract specialist position for the Pentagon: “This is a field that few people enter on purpose. Most of us end up here by accident or chance.” In an increasingly complex world, should the next generation of purchasing leaders be recruited solely by chance?

Today, technology shows no sign of slowing down. The field of purchasing has begun to evolve to meet the challenges that a “career by accident” has had trouble addressing. Two recent evolutions are having a big impact: (1) the hiring of specialized purchasing agents, and (2) the creation of degree programs (both Master’s and Bachelor’s).

Specialized Purchasing Agent

An interesting variation on the “falling into” is the active seeking of people with specialized expertise. A purchasing department may target someone with expertise in some specialized content area, usually someone with knowledge of specifications and possibly buying. So, for example, when a purchasing agent is needed for IT systems, the organization goes to the world of information technology to seek someone who has worked in that area.

Recruiting such experts seems obvious. But does such a concept work?

Loette King, Senior Director of Procurement & Contract Administration at Emory University, is a strong proponent of hiring purchasing agents with backgrounds in specialized categories. “Emory has a large scientific research focus, and purchasing needs to be able to speak the language of our scientists,” states King. With over $300 million in funding for medical research in 2011, Emory’s Purchasing Department buys many complicated scientific items. So Ms. King’s task is a formidable one. If she alienates the scientists, they will avoid the department or, worse, purchase something that does not function effectively. After struggling to earn the scientists’ acceptance, Ms. King decided a change was necessary. When an opening occurred in her department, she changed her hiring approach.

“I worked with Human Resources to not screen the applicants as they usually had in the past. I wanted to review all applicants for any experience in buying items for a research lab,” she explained. Her decision paid off.

Finesha Colton Lee, who was a Research Administrator at Emory, applied. King saw her opportunity in Lee. “I wanted someone with some level of expertise in scientific research in order to add some level of...
credibility to what purchasing was trying to do. I wanted to see if I could raise the respect on campus for what we in purchasing are trying to do.”

As a Research Administrator, Lee was used to seeking and acquiring state of the art equipment for the department. At the time she applied, Lee was already a valuable resource in the Biology Department. “The switch to purchasing was not a big one for me,” explains Lee. “I was already buying supplies and working with suppliers. Also, I now get to have regular hours and a promotion.”

Lee has since obtained her MBA and enjoys her switch to purchasing. She enjoys her continued work with the suppliers, as well as saving money and jobs for Emory. She appreciates the opportunity. “Loette’s decision has been great. I can really understand the pressure on the scientific staff when they need various items to perform their duties,” she claims. As King describes it, “I find that the scientific staff responds differently to Finesha than to the other procurement staff I had assigned previously. We are changing their view of purchasing.”

Has the change been without challenges? Difficult researchers are still there. Despite her scientific background, Lee finds negotiating with sole source suppliers challenging. Still, success is happening. “We set a goal of having 70% of contracted spend under management when we started, and I can say we hit 64% last year and it continues to trend up,” states King. Her program has had such success that she did a similar hiring for a Technology Buyer (the campus computer store Manager) and an MRO buyer (the former Facilities Warehouse Manager). She doesn’t claim to know the right answer but she can say she rarely hears, “You don’t understand my world,” from her stakeholders anymore.

**Purchasing Degree Programs**

One doorway into the profession, which has been expanding for the past several years, is that of obtaining a Bachelor’s and Master’s degree specifically in purchasing. The value organizations now place on purchasing departments has resulted in increased demand for professionals. The Bureau of Labor Statistics estimates that between 2010 and 2020, the number of total procurement jobs in the United States will increase by 6.5% or approximately 64,000. Nationally, the degree programs have increased in order to keep up with that demand. A degree from a nationally recognized procurement program will place new career entrants at a distinct advantage.

Megan Becka, CPSM, is a Senior Buyer for Arizona State University (ASU), the school where she graduated with a degree in Supply Chain Management. Becka, who started her college career seeking a degree in business and management, was convinced a purchasing degree was what she really wanted after taking her first basic supply chain class. “I found the field fascinating after taking that course,” she explained. “It seemed the best match for both my personality and skills.” Like Lee at Emory, Becka is responsible for managing the scientific category at ASU. Degree notwithstanding, she experienced the typical challenges of the recent college graduate. “The degree program familiarizes you with the concepts and language of purchasing,” states Becka, “but the true test is on the job when you have to translate theory into actual practice.” To date, Becka has used her degree and experience at ASU in successfully supporting her scientific stakeholders.

As an employer, ASU is in a fortunate position when it comes to hiring degreed purchasing staff. In the 2009-2010 academic year alone, ASU graduated approximately 160 students from the purchasing program. Nationally, ASKEDU (a website that helps people find training courses around the world) reports that there are currently 99 purchasing management certificates, diplomas, and degrees at U.S. schools. In addition, 120 training courses, certificates, diplomas, and degree programs in purchasing at schools in the U.S. are delivered online and on site. www.Gradschools.com reports that there are slightly over 175 supply chain management graduate programs as well. It seems higher education is well prepared to supply those 64,000 new jobs that the Bureau of Labor Statistics has predicted.

Another ASU-degreed staff member is Lorenzo Espinza. Unlike Becka, Espinza had a family connection to purchasing. “One of my relatives graduated from the same program ahead of me,” explains Espinza. “My cousin was like a mentor to me when it came to developing my career interests. He encouraged me to enter the field, and as I continued to take more and more classes in purchasing, the greater I liked the field.” As he establishes himself, Espinza believes his degree has prepared him well to understand both the technical and human aspects of purchasing.

In light of all the opportunities now available, it becomes apparent that fewer and fewer people will “fall into the profession.” The good news is that organizations are placing greater value on what the profession brings to higher education. And purchasing departments are responding by seeking highly talented people to ensure that the organization gets the level of support it deserves. Whether recruiting specialists or hiring degreed professionals, purchasing departments will be well served to meet the challenges of the future.
Leadership: We Have a Failure to Communicate

by Brian K. Yeoman
NAEP

We are fascinated with the notion of leadership in this country and in the higher education procurement sector. We are obsessed because generally there are so few clear examples of excellent leadership. We keep trying to figure out what is, what it isn’t, and what makes a great leader. In the process we do “post-mortems” on those leaders who fail us. Frequently, that failure is the direct result of poor communication skills.

A long time ago (1967), the movie Cool Hand Luke—starring Paul Newman—probably depicted it best. In a crucial scene, a prison captain—played by Strother Martin—asserts his power and authority rather than the slightest whiff of leadership. He says of the rebellious young inmate (Newman), “What we've got here is failure to communicate!”

The exact context of the utterance:

Captain: “You gonna get used to wearing them chains after a while, Luke. Don’t you never stop listening to them clinking, ‘cause they gonna remind you what I been saying for your own good.”

Luke: “I wish you'd stop being so good to me, Cap'n.”

Captain: “Don’t you ever talk that way to me.”

(pause, then hitting Luke) “never, NEVER!” (Luke rolls down a ravine to other prisoners)

“What we've got here is a failure to communicate. Some men you just can’t reach. So you get what we had here last week, which is the way he wants it. Well, he gets it. I don’t like it any more than you men.”

It would seem that failure of leadership is alive and well. A Google search for “leadership communication” found 157,000,000 entries, yet this seemingly unfathomable failure exists 46 years later and remains a huge issue, talked about nightly over the dinner table. It makes me wonder: Is it leadership or followership that we should be talking about when a Google search for “leadership and followership” only yields 425,000 entries?

More than 20 years ago, when quality improvement and continuous quality movement led to the inevitable launch of business reengineering literature, some of us thought that because these processes demanded the rethinking of every aspect of “the organization,” that communications and listening would become a centerpiece of the message. I wrote about this many times for NAEP. Unfortunately, we were sorely disappointed. Communication was little mentioned, and alas, listening was almost never mentioned, and if it was, it was treated like a wart.

As an example, Michael Hammer and James Champy’s iconoclastic change-management reference of the day, Reengineering the Corporation, devoted little more than a paragraph to leadership communication. Some of us brought this to the authors’ attention in seminars. We pointed out that we found this to be a major omission, inconsistent with the “500 by 500” message they conveyed as their central theme of large-scale organizational change. Even today, some books later, communications and listening are still not a part of the mantra. From my personal experience in higher education, I remain

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have always got.” There is no reason to believe that the results will change if the style of delivery is not consistent and aligned strategically.

Why then is it so difficult to execute strategic communications? There are at least three schools of thought.

• First is the astonishingly persistent fantasy that leadership communication just happens as a natural consequence of organizational hierarchy.
• Second, the shortcomings of the Hammer and Champy “500 by 500” approach: “communicate, communicate, communicate” and all will be well.
• Third, very few leaders understand what to say and how to say it. Middle managers tend to default either to bullying or trying to scare employees into action. Sometimes they go the other way and overwhelm followers with information in the hope that some measure of good will result.

We know these approaches are historical and perhaps even logical. Put simply, they do not work.

Enough of the negative. What can successful leaders say and do to inspire people to positively embrace change? Can successful leadership communication be learned? Or for that matter, taught?

My conclusion is that virtually everyone has the capacity to move, touch, and inspire others to action. It is quite true that we all successfully play the role of leaders in other walks of life. Unfortunately once we enter the workplace, our leaders too often don’t give us credit for that and act as if we left our brains in the parking lot. What’s missing in most leaders is a genuine commitment to a mission, a vision, a willingness to declare that commitment publicly, and a real interest in and connection with those they lead (us in other words).

What attributes are required to be a successful leader in today’s higher education environment? Here are some suggestions:

1. Know precisely where you are going. Have a clear and compelling vision. Begin with a clear end in mind and get specific.
2. Become passionate about what you believe and what you say. Get some “skin in the game.” Do not speak with a forked tongue and be loyal to those not present.
3. Get personal to connect with the people to whom you are speaking. Demonstrate every day in every way that you have character and competence, and they will emulate it.
4. Have an open mind and practice active listening. Seek first to understand before seeking to be understood.
5. Leave your ego behind. Replace it with empathy.
6. Become highly adaptable and flexible. Be willing to change the message if it needs to be changed and if you don’t know the answer be honest enough to admit it.

As Ghandi said, “Become the change you want to be.” You are leaders. You can do great things!
You Do Not Need A CPSM
to Succeed in Our Profession

by Bob Ashby, C.P.M., CPCM
University of Nevada, Las Vegas (retired)

Following last college football season, we were bombarded with questions and analyses as to who was the best college football player of 2012. My personal thinking was, “Who cares”? And that led me to wonder who, indeed, does care. My initial answer was that the players, of course, care. But that made me further wonder why they cared. The answer became evident when all of the sports analysts on ESPN and elsewhere started discussing the impact awards would have on the upcoming National Football League draft. The consensus was that these awards amounted to the players’ “certifications” as the best at their respective positions.

While the Heisman Trophy goes to the one determined to be the most valuable player overall in all of college football, the Lou Groza Award goes to the best place-kicker in the college ranks. And the Outland Award goes to the best interior lineman. The Biletnikoff Award goes to the best receiver. And the Bednarik Award goes to the best defensive player. I could go on and on but then I would have to cover the Doak Walker, Butkus, Jim Thorpe, Bronco Nagurski, Lombardi, Walter Camp, and 10 other major awards. Again I ask, “Who cares” who receives these awards? Again it comes back to each one being a “certification” of the requisite talent for promotion to the next level.

Is there one award more valuable than all the others? Kickers and punters want to be known as the best kickers and punters in the game so they consider the Groza and Guy Awards to be the most valuable. Receivers just want to be known as the best receivers in the game so for them the Biletnikoff Award is the most valuable. For interior linemen, the Outland Award is the most valuable because they just want to be known as the best interior linemen in the game. Again, I could go on and on.

The bottom line is that when the winners of these awards look to impress their new employers, that is, as they interview with various pro football teams, they tout their being “certified” as evidence of their being better than others applying for those same lucrative positions. And since each “certification” relates to a particular specialty, it is difficult to say that one certification is better than another.

The logic of my conclusion—that one certification is not better than another—made me wonder if it also applied to the supply management profession. That, in turn, triggered my investigation as to whether or not there were other certifications available in the supply management profession, and, if so, if were they just as valuable to our NAEP Members as the CPSM (Certified Professional in Supply Management) or, for public purchasing professionals, the CPPO (Certified Public Purchasing Officer).

First I Googled “Supply Chain Management Certifications” and found 43 pages of references and information. I found diplomas, awards, and certificates in various programs from various universities, colleges, institutes, associations, and societies. I found certifications in Purchasing

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and Supply Management, Supply Chain Management, Advanced Professional Supply and Chain Management, Functional Perspective in Supply Chain Management, Tactical Implementation of Supply Chain Management, Advanced Professional Supply Chain Management, Corporate and Environmental Sustainability Supply Chain Management, and many more. I even found certificates indicating the holder was either at the basic or advanced level. My head was spinning with all the possibilities.

What did I learn? First and foremost, I became even more convinced that there is no believable reason a job candidate could give for telling a prospective employer that he/she could not find a certification program that was applicable and/or affordable. Second, I could see no reason to change the belief I've had during my years of interviewing, hiring and promoting: that I didn't care what specific supply chain certification a candidate had as long as he/she had one. I believed, and still do, that possessing any certification tells the interviewer that the candidate is not stagnant in his/her education and that he/she is still learning and improving his/her skill set.

What other conclusions did I draw? First, if a person has some specific supply chain management goals or interests, such as sustainability, green technology, public purchasing, he/she could—and likely should—obtain a certification related to that specific goal or interest. If, on the other hand, a person wants to show a broad spectrum of knowledge related to supply chain management, he/she should obtain a certification showing broad based, general knowledge, such as the CPSM.

NAEP recently queried the membership as to their interest in attending a pre-Annual Conference workshop on preparing to take the CPSM exam. Insufficient interest was generated to warrant the time and expense. Being in an inquisitive state of mind as I conducted the research discussed above, this made me ask “Why not?” Do you, the membership, not understand the need for professional development? Do you want information about certifications other than the CPSM and CPPO? Do you want general information on certifications? Do you want to know specific pros and cons about certification? Would you rather hear the pros and cons of improving your whole educational level, not just the certification part of self-improvement? What do you want and need?

I’d like to know your thoughts on this subject. First, do as I did and Google “Supply Chain Management Certifications.” Then please let me know what NAEP and I can do for YOU. I promise that in future articles I will address what you, the membership, want addressed. And if sufficient interest is generated in a specific idea or area, I will work with NAEP to see that it is addressed in a future annual or regional conference.

Bob Ashby, C.P.M., CPCM, is retired from his position as Director of Purchasing and Contracts for the University of Nevada, Las Vegas, where he also served as an Adjunct Professor in the Management Department. Bob has been active in NAEP since 1997. In 2006, he received NAEP’s Distinguished Service Award, and in 2008, he won the newly established Mentor of the Year Award. NAEP renamed the award in his honor to the Bob Ashby Mentor of the Year Award in 2009. Email: ashbybob@embarqmail.com.
Recycling is an important issue on our campuses, and we all practice it at home, some of us more creatively than others. My husband, Bill, rarely uses anything as intended and tends to see gold when others see a pile of trash or leftover material. Let me give you a few examples. We were driving back from the store one day when Bill saw a broken, abandoned bicycle. The wheels were bent and the tires were missing. He stopped and put it in the trunk. I asked him what he was going to do with it and he replied, “I have something in mind.” A few days later, he came home with a five-foot section of construction tubing (used to form concrete). Again I asked him what he was going to do with it, and he again replied, “I have something in mind.” When he brought home a busted weight-set with just a few weights and two feet of iron pipe, I didn’t even ask him why. After diligently working in the garage for a few days, he began ordering mirrors from an astronomy store. Next thing I knew we were the proud owners of an 8” Newtonian telescope.

Bill hates those handwritten plastic “We Buy Houses” signs that people used to staple to telephone poles in and around our community. We contacted the county to have them stop the people from posting the signs and learned that although they were illegally posted, the county didn’t have the personnel to control it. So, every morning Bill removed the signs. He kept taking them down, and the people kept putting them up. Before we knew it, we had a stack of plastic signs that was easily four feet tall. We couldn’t stand the thought of all that plastic ending up in a landfill. We began using the opposite sides of the signs to announce community events and gave some away for other non-profit organizations to reuse. Yet, we still have a large stack of them! One day, I returned from work to find that Bill built a wind generator (1/8” scale) out of a dozen of the signs, a few ball bearings from old shopping cartwheels, and strips of leftover wood from a recent repair. It didn’t generate much energy, but it worked and was a great conversation piece.

It wasn’t long after we had a shed built that Bill noticed a leftover piece of plywood and a drop cloth. He and our son Ronnie, who was 14 at the time, began a new project. The wood was cut to make a frame and then the drop cloth was stretched around it. After applying some fiberglass to make it waterproof, voila! we had a one-person boat. Not the prettiest boat I’ve ever seen, but we sure enjoyed it.

These are but a few of the projects that began with discarded items. I think they coined the phrase “One man’s trash is another man’s treasure” after my husband. Maybe you know someone like him, or maybe that describes you. Next time you are throwing something away, stop for a moment and try to envision what it could become. Let your creativity flow and have fun!
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