



**APRIL 2010 ISM-CI
PROFESSIONAL EDUCATION FOR SUPPLY MANAGEMENT
Tuesday, April 13, 2010**

AGENDA:

- 5:00 p.m. Early Bird Seminar:** *"Keeping Your Indirect Costs Under Control"*
Jasmine Eisenbarth, C.P.M., Supply Manager, Pella Corporation
- 6:00 p.m. Affiliate Dinner Buffet and Fellowship**
- 7:30 p.m. Premier Education Seminar:**
"Strategies, Tactics and Processes to Create Cost Reductions From Indirect Materials"
Tad Umbrell, Director, GIS Corporate & Government Consulting, Grainger Corporation

MEETING DETAILS:

DATE: April 13, 2010

LOCATION: Prairie Rose Room, Prairie Meadows Racetrack & Casino Meadows Events & Conference Center, Altoona, IA

DRIVING DIRECTIONS TO LOCATION:

From the East or West, Exit I-80 at exit 142, to US highway 65 South towards Altoona. Immediately move to the left lane and turn left at Adventureland Drive. Go past the Adventureland Inn to the first stop light and turn right onto the Prairie Meadows Casino property. The Prairie Rose Room is on the top Floor of the Casino Building.

TO REGISTER:

Visit <http://www.ism-ci.org/events.html>
Please register by **March 5, 2010**

MEETING COSTS: ISM-CI Members - NO COST (included in annual dues) **Guests** - \$20 per person for all guests.

PLEASE NOTE: ISM-CI is obligated to pay for all meals ordered. If you are unable to find a substitute, please call Jane Burger at 515-276-1254.

EARLY BIRD SEMINAR:

"Keeping Your Indirect Costs Under Control"

Presented by Jasmine Eisenbarth, C.P.M., Supply Manager, Pella Corporation

Three years ago, Pella Corporation adopted strategic sourcing principles to understand and control the company's indirect costs. Jasmine will explain the tools she used including system solutions, sourcing and contracts to significantly reduce costs and control over 62,000 individual part numbers across nine manufacturing operations. (1 CEH)

Speaker Bio:

Mrs. Jasmine Eisenbarth is the supply manager at Pella Corporation, with responsibility for the MRO commodity. Jasmine is also an active participant in Pella's women's leadership group. The group focuses on providing leadership, mentorship, and personal development opportunities around areas of interest to the team members of Pella Corporation with quarterly events and roundtables.

Jasmine directs the purchasing for a team of over 100+ individual requestors at Pella. This team consists of stockroom keepers, maintenance managers, maintenance technicians, and engineers. One of Jasmine's focal points is on setting the requestors up with the correct tools for the individuals to make the best purchasing decisions when the need arises. Jasmine uses Oracle as the tool to direct the individuals to the correct supplier via rules set in Oracle. Jasmine is also responsible for managing, developing, and implementing supplier contracts for all Pella's 9 manufacturing facilities.

Jasmine holds a bachelors degree from Iowa State University. She has been employed by Pella Corporation for 10 years with 5 years in the supply management department. Jasmine has been the MRO buyer for 2 ½ years. She was previously a buyer's assistant for capital equipment.

Jasmine and her husband, Travis live in Pella with their two girls.



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PREMIER EDUCATION SEMINAR:

“Leveraging MRO Inventory as An Investment”

Presented by Tad Umbrell, Director, GIS Corporate & Government Consulting, Grainger Corporation

Organizations frequently stock maintenance, repair and operations (MRO) materials for convenience or insurance. Over time, MRO inventory develops into four distinct groups of items—critical, fast moving, slow moving and inactive. The broad array of material needs, unique aspects of demand and division of responsibilities challenge effective management of MRO inventory. Research indicates MRO inventory provides a considerable opportunity, with a typical organization likely to recover 25% or more of their MRO materials' current on-hand value. (1 CEH)

Learning Objectives:

1. Learn how to assess the effectiveness of your MRO inventory management.
2. Understand what is needed to improve the return on your investment.

Speaker Bio:

Tad Umbrell is the Director, Grainger Industrial Supply (GIS) Corporate & Government Consulting. Tad leads a team responsible for providing indirect materials management consulting. Specifically, Tad has been involved in customer engagements and solutions development focusing on procurement strategies, inventory management, technology, and cost savings strategies and documentation.

Prior to his current role, Tad was responsible for relationship management of a portfolio of government and corporate customers, providing expertise in solution development and execution focusing on cost savings strategies.

Tad has been with Grainger for the past 20 years and has held positions of progressive responsibility in branch operations, customer service, business integration, district, government, and corporate sales management, and indirect materials management consulting. Tad has an undergraduate degree in Marketing from Iowa State University and a MBA from Baker University.

AFFILIATE DINNER & FELLOWSHIP:

Meet Your Friends to Enjoy the Food and Fellowship!

Buffet Menu:

Baked Chicken

Oven Roasted Pork with Chefs Secret Herbs

Chef's Choice Pasta

Assorted Steamed Vegetables with Sauce

Special Hot Rolls with Honey Butter

Dessert Selections

Water, Coffee, and Tea

Assorted Wines and Drinks are around the Corner
at the PM Bar

UPDATE: Website Message Boards

The ISM-CI.org message board no longer requires you to login to view the boards. In this state, you will be able to take full advantage of all the resources the boards have to offer.

To make a comment or post a new conversation thread will still require a login.

Any questions you have should be directed to Micheal Panos, who will communicate your feedback to our webmaster.

<http://www.ism-ci.proboards.com>



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MID-AMERICA LEADING ECONOMIC INDICATOR SOARS TO HIGHEST LEVEL SINCE APRIL 2007

February survey results at a glance:

- Leading economic indicator climbs to highest level in almost 3 years.
- For first time since July 2007, we recorded job gains for two straight months.
- Almost 30 percent of supply managers expect prices to increase by more than 5 percent in the next six months. Less than 2 percent expect prices to decline.
- Inventories expanded for the first time in September 2008.

For Immediate Release: March 1, 2010

Omaha, Neb. – The February Business Conditions Index for the Mid-America region, a leading economic indicator from a survey of supply managers in a nine-state area, rose for a third straight month pointing to improving economic growth in the months ahead. The index expanded to 61.0 from 54.7 in January and 50.3 in December. An index of 50.0 is considered growth neutral for the leading economic indicator.

“Readings over the past several months indicate that the regional economic rebound that is underway will pick up steam in the months ahead. Even so, I am concerned that the economic problems in Europe, which are pushing the value of the dollar higher, will negatively influence regional growth. This part of the nation depends heavily on agriculture which likewise suffers from a “too strong” dollar. However, the likelihood of the regional economy dipping back into recessionary territory has diminished significantly according to our surveys of supply managers. While I expect the overall regional economy to expand in the months ahead, I continue to expect job growth to be subdued especially for rural areas of the nine-state region,” Creighton University Economics Professor Ernie Goss said today.

For a second straight month, the regional employment index rose above growth neutral. The February job reading of 56.1 was up from December’s 51.7. For February, 23 percent of supply managers reported job gains for their firms while only 11 percent indicated that their firms reduced employment. “This is the first time that we have recorded two straight months of employment indices above growth neutral since July 2007. Despite this upturn, the regional labor market remains fragile with any upturn in hiring susceptible to national and global economic slumps,” said Goss, director of Creighton’s Economic Forecasting Group and the Jack A. MacAllister Chair in Regional Economics.

Rebounding prices have accompanied job losses for the region. The prices-paid index, which tracks the cost of raw materials and supplies, moved above growth neutral for a ninth straight month to 78.3 from January’s 75.5 and December’s 65.2. “The prices-paid index has more than doubled over the past year. This month we asked supply managers how much they expect prices for products they purchase to change by in the next six months. Almost three of ten, or 29 percent, expect prices to expand by increase by more than five percent in the next six months. Despite deflation warnings from some economists and policymakers, only one percent of supply managers expect a cut in prices in the next six months,” said Goss.

“Recently the Federal Reserve took the timid step of increasing the almost inconsequential discount rate by a quarter of one percent. Based on responses from supply managers in our survey and my own analysis, I expect the Fed to raise the more important funds rate by a quarter percent before the end of the second quarter of this year. Inflation in the pipeline is well above the Fed’s soft target of 2.0 percent in my judgment,” said Goss.

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Looking ahead six months, economic optimism, captured by the February confidence index, climbed to a strong 73.0 from January's 68.5 and December's 69.5. "Record low interest rates, a stabilizing job market and the January improvement in the nation's unemployment rate buoyed the economic optimism of supply managers in the Mid-America region," said Goss.

An improving global economy continues to push exports higher. New export orders slipped to a still healthy 55.4 from 55.8 in January. The improving regional economy likewise rocketed imports to a higher 58.8 from January's 50.0. "Since I expect exports to be an important ingredient of the regional economic recovery, recent increases in the value of the dollar, making U.S. goods less competitive abroad, are a concern for me. This month, we asked supply managers to compare their international buying this year compared to last year. More than 35 percent indicated that buying abroad had expanded. Only 9.2 percent reported that international buying had declined from last year," said Goss.

For the first time since September 2008, supply managers in the nine-state region increased their inventory levels. The February inventory index rose to 57.4 from January's 48.3 and December's 39.2. "After 16 straight months of inventory reductions, supply managers expanded their inventory levels at the fastest pace since August 2006. This restocking will positively affect growth in the months ahead," said Goss.

Other components of the February Business Conditions Index were new orders at 66.1, up from January's 57.4; production or sales at 67.3, up from 57.9; and delivery lead time unchanged from January's 58.4.

The Creighton Economic Forecasting Group has conducted the monthly survey of supply managers in nine states since 1994 to produce leading economic indicators of the Mid-America economy. States included in the survey are Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma and South Dakota.

The Creighton Economic Forecasting Group uses the same methodology as a national survey by the Institute for Supply Management, formerly the Purchasing Management Association, which has formally surveyed its membership since 1931 to gauge business conditions. The overall index, referred to as the Business Conditions Index, ranges between 0 and 100. An index greater than 50 indicates an expansionary economy over the course of the next three to six months.

Arkansas: The state's Business Conditions Index for February, based on a survey of supply managers, climbed to 52.1 from January's regional low 46.7. Components of the overall index for February were new orders at 43.3, production or sales at 61.8, delivery lead time at 61.3, inventories at 39.6, and employment at 54.5. "Over the past year, Arkansas has lost 14,000 manufacturing jobs, or more than 8.3 percent of its manufacturing job base. More than three fourths of the producer job losses were in durable goods manufacturing. Based on our surveys, I expect no more manufacturing job losses and only modest overall job losses for the state in the second quarter of 2010," said Goss.

Iowa: For the fifth time in the past seven months, Iowa's Business Conditions Index rose above growth neutral. The index, a leading economic indicator from a survey of supply managers, jumped to 58.2 from January's 52.1. Components of the overall index for February were new orders at 65.3, production or sales at 64.3, delivery lead time at 60.4, employment at 53.2, and inventories at 47.9. "Over the past year, Iowa has lost more than 17,000 manufacturing jobs, or more than 8.0 percent of its manufacturing job base. Almost 90 percent of the producer job losses were in durable goods manufacturing. Based on our surveys, I expect no more manufacturing job losses, and minimal overall job gains for the state in the second quarter of 2010," said Goss.

Kansas: The leading economic indicator for Kansas from a survey of supply managers in the state advanced for a fourth consecutive month. The February Business Conditions Index rose to a tepid 50.8 from 47.4 in January. Components of the

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overall index for February were new orders at 54.3, production, or sales, at 53.8, delivery lead time at 55.1, employment at 34.8, and inventories at 56.7. "Over the past year, Kansas has lost almost 25,000 manufacturing jobs, or more than 12.0 percent of its manufacturing job base. Almost 95 percent of the producer job losses were in durable goods manufacturing. For the second quarter of 2010, based on our surveys, I expect minimal manufacturing job losses, and only modest overall job losses for the state," reported Goss.

Minnesota: The state's leading economic indicator, based on a survey of supply managers, advanced for February. The Business Conditions Index climbed to 57.4 from January's 51.4. This was the seventh straight month that the state's index has risen above growth neutral pointing to expanding economic conditions for the first half of 2010. Components of the overall index for February were new orders at 68.8, production, or sales, at 61.8, delivery lead time at 56.9, inventories at 44.5, and employment at 54.8. "Over the past year, Minnesota has lost almost 30,000 manufacturing jobs, or more than 8.5 percent of its manufacturing job base. Almost 90 percent of the producer job losses were among durable goods manufacturers. For the second quarter of 2010 based on our surveys, I expect minimal manufacturing job gains and very modest overall job gains," said Goss.

Missouri: For a eighth consecutive month, Missouri's Business Conditions Index was above growth neutral. The index from a survey of supply managers in the state, climbed to 55.5 from January's 52.2. Components of the overall index from the February survey were new orders at 57.3, production, or sales, at 58.4, delivery lead time at 53.9, inventories at 57.8, and employment at 50.3. "Over the past year, Missouri has lost more than 18,000 manufacturing jobs, or almost 5.7 percent of its manufacturing job base. Almost three fourths of the producer job losses were among durable goods manufacturers. For the second quarter of 2010 based on our surveys, I expect minimal manufacturing job gains and very modest overall job gains for the state," said Goss.

Nebraska: For a sixth consecutive month Nebraska's Business Conditions Index, a leading economic indicator, expanded above growth neutral. The February reading, based on a survey of supply managers, climbed to 58.8 from 54.2 in January. Components of the overall index for February were new orders at 62.8, production, or sales, at 60.0, delivery lead time at 60.4, inventories at 48.6, and employment at 61.1. "Over the past year, Nebraska has lost more than 8,000 manufacturing jobs, or almost 9.0 percent of its manufacturing job base. Almost 63.0 percent of the producer job losses were among durable goods manufacturers. For the second quarter of 2010 based on our surveys, I expect minimal manufacturing job gains and very modest overall job gains for the state," said Goss.

North Dakota: For the third time in the past four months, North Dakota's leading economic indicator moved below growth neutral 50.0. The February reading, based on a survey of supply managers in the state, sank to 48.3 from January's 50.5. Components of the overall index for February were new orders at 36.9, production, or sales, at 60.0, delivery lead time at 50.7, employment at 42.2, and inventories at 53.1. "Over the past year, North Dakota has lost 2,300 manufacturing jobs, or almost 7.0 percent of its manufacturing job base. Almost 95 percent of the producer job losses were among durable goods manufacturers. For the second quarter of 2010 based on our surveys, I expect minimal manufacturing job losses and very modest overall job losses," said Goss.

Oklahoma: For a second straight month, Oklahoma's leading economic indicator from a monthly survey of supply managers climbed above growth neutral. The Business Conditions Index, slipped to 52.3 from January's 54.5. Components of February's overall reading were new orders at 49.9, production, or sales, at 62.2, delivery lead time at 63.2, inventories at 47.8, and employment at 38.2. "Over the past year, Oklahoma has lost almost 15,000 manufacturing jobs, or almost 8.0 percent of its manufacturing job base. Almost 94 percent of the producer job losses were among durable goods manufacturers. For the second quarter of 2010 based on our surveys, I expect minimal manufacturing job gains and very modest overall job gains for the state," said Goss.

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South Dakota: The state's leading economic indicator from a monthly survey of supply managers in the state rose to 61.4 from January's 54.4. Components of the overall index for February were new orders at 73.2, production, or sales, at 68.5, delivery lead time at 56.7, inventories at 58.3, and employment at 50.1. "Over the past year, South Dakota has lost almost 10,000 manufacturing jobs, or more than 21.0 percent of its manufacturing job base. For the second quarter of 2010 based on our surveys, I expect minimal manufacturing job gains and very modest overall job gains for the state," said Goss.

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<http://www2.creighton.edu/business/economicoutlook/>
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AMENDMENT AND UPDATE TO THE ISM-CI BYLAWS ANNOUNCEMENT

March 22, 2010 • Dr. Kemp

The ISM-CI Bylaws were last amended and brought up to date in the summer of 2008 and approved by the Regular Members in the fall of 2008. Now ISM has changed the definition of regular members for ISM. That action requires that ISM-CI Bylaws must be changed to include the new membership definition.

As part of the February meeting the ISM-CI Board selected a small team chaired by Jerry Burger, former ISM-CI President to consider and recommend proposed changes for the ISM-CI Bylaws. The Committee members were:

- Donna Graham, former ISM-CI Secretary,
- Arlene Manbeck, C.P.M., former ISM-CI President,
- Donna Satre, C.P.M, Former ISM-CI President, and
- Robert Kemp, Ph.D., CPSM, C.P.M., former ISM President.

The team was tasked to have a draft back to the BOD by the March 2010 Board meeting. The Team met one time to select the options and draft recommendations for consideration by the Board and the Membership.

The change of membership ISM requires that ISM-CI change Article IV Section 1 Membership. ISM-CI must accept ISM definition as shown in Option 1 or Option 2 and rewrite ISM-CI Bylaws accordingly. Here is what ISM sent us for consideration.

Option 1 must read exactly as defined in the ISM Bylaws (Article III, Section 4):

Regular Members. Any person interested in the supply management field shall be eligible to be a Regular member of an Affiliated Association provided that such person does not solicit business on behalf of such person or his or her employer during meetings of any ISM activity, including without limitation, meetings of Affiliated Associations (including chapters), ISM Committees and ISM Groups and Forums (as defined in Policy).

If we choose Option 1, ISM-CI would have to change its definition of Regular Members each time that ISM changed the definition in the future.

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Option 2 is a standard definition of Regular Members.

Regular Members. A person shall be eligible to be a Regular member of the Association who satisfies the eligibility requirements of a Regular member of an Affiliated Association as defined in the bylaws of the Institute for Supply Management, Inc™ (ISM), as amended from time to time. Regular members of this Association shall have the right to cast one vote on all questions which require a vote of the Regular members of this Association other than those Regular members who, pursuant to the ISM Bylaws, as amended from time to time, do not have voting rights.

If ISM-CI chooses this option, we will not be required to update ISM-CI Bylaws to reflect any future changes to the definition of Regular members by ISM.

The Team recommended to the Board that ISM-CI Select Option 2.

The ISM-CI Board approved this recommendation and recommends that it be approved by the membership.

The Board also tasked the team to consider a need for a new Standing ISM-CI Team to help recruit and provide volunteer leaders to stand for election as ISM-CI Officers, Directors, or to serve on the teams or special committees as volunteers. This team would also conduct the annual elections as provided by the ISM-CI Bylaws. The existing Nominating Committee is defined in Article X, Section 3. Nominating Committee.

After some discussion the Team recommend two things for consideration by the Board,

1. That a new standing team named the ISM-CI Leadership Development Team be approved and added to the list of Standing Teams specified in the Bylaws in Article X, SECTION 1
2. That the current Nominating Committee defined in Article X, Section 3 be deleted and its duties be included with and carried out each year by The ISM-CI Leadership Development Team as specified by the Bylaws as amended.

These duties, which include the duties of the previous nominating committee, were recommended for new ISM-CI Leadership Development Team.

The ISM-CI Leadership Development Team:

The President shall appoint the ISM-CI Leadership Development Team of at least three (3 to 5) members to serve for a term of one year. At least one member should be a former President. The ISM-CI Leadership Development Team shall have three ongoing duties.

The ISM-CI Leadership Development Team) shall work to create a list of volunteers willing and ready to serve on the various affiliate teams. These volunteers will be accepted by the teams and utilized in the teamwork. Members may volunteer for a year-long assignment to a team or for a short-term assignment to a specific project with one of the teams. The team will also work with the Education Team, other teams and the membership to expand leadership development opportunities and interest in supporting the affiliate.

The ISM-CI Leadership Development Team shall present a proposed slate of candidates for all officers to the membership for the annual election. The Chair of the Leadership Development Team shall present the names of consenting nominees for the various offices to the membership at least 60 days prior to the annual meeting. He or she shall file a list of the nominees,

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certified by the Committee, with the Secretary immediately after such announcement. Any one (1) or more members acting jointly, may present to the Secretary not later than thirty (30) days prior to the Annual Meeting, the names of any consenting candidates whom they wish to nominate, and the respective offices for which they are nominated. The Secretary shall announce such nomination(s) to the membership not later than thirty (30) days prior to the election. The Chair of the Leadership Development Team shall keep the President apprised of progress toward filling the slate of officers and directors.

If there is more than one member nominated for a position or positions the membership will vote to elect one of those nominees for the given position(s). If the ballot to the membership includes only the slate of nominees announced by the nominating committee, the membership will vote "yes" or "no" to acclaim or reject the proposed slate of officers and directors. (See Note Below)

The Leadership Development Team shall conduct the election process electronically or by paper ballot and report the results to the President and the Membership at the Annual Meeting.

If an officer or board member resigns or otherwise leaves the seat after being duly installed the Leadership Development Team will provide the President the name or names of a volunteer(s) for consideration to fill that position for the remainder of the term of office subject to the approval by the President and the board.

The Leadership Development Team shall respond to any other special needs of the board for volunteers to complete a new or unexpected board approved project or projects, as these unexpected requirements occur.

The Special team's recommendations did not include the italicized paragraph above. However, the practice as defined in the italicized paragraph has been practiced in ISM-CI Elections previously. Recognizing that if volunteers are reasonably vetted for selection and interest to fill a position, the board believes that the opportunity to provide an alternative candidate for a specific officer's position or for a directorship is a better alternative than voting "No" against an individual. The Board has included the Italicized paragraph for approval.

The ISM-CI Board accepted Team's recommendation that The ISM-CI Leadership Development Team and added the Italicized paragraph above. The Board recommends that the expanded definition be approved and added to the list of Standing Teams in Article X, Section 1.

In addition the Board recommends that Article X, Section 3 be deleted as suggested by the Special Team.

The Electronic Ballot and voting instructions will be distributed later this week, March 22-26, 2010

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