



# Federal Acquisition & Subcontract Management Group

# NEWSLETTER



Serving members involved in Supply Management as well as procurement related to government agencies.

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## WELCOME TO THE FASMG!

### Professional Development

By

Joseph Faulkner

Workshop and Seminar Chair

FASMG



Whether you are a novice or an old timer to the Procurement industry, you need to take responsibility for your own Professional Development. At the NAPM Houston November dinner meeting Frank Quiett, C.P.M. spoke to the group about motivation, pride and accomplishment. One of my colleagues was amazed and inspired with Mr. Quiett's enthusiasm and charisma. Yet not a month passes where I don't hear some discussion of declining professional membership and participation, of company's not paying professional dues or of difficulty in finding volunteers for local chapters or a national group.

Industry publications, conventions and discussions often refer to creating value for your employer, being a career professional versus emulating an hourly employee, considering yourself a small business or a subcontractor to your company. What does your Manager, Director or Vice President of Procurement want from you? When you interview, what is the interviewer looking for? Who hasn't heard the discussion about "employability" versus "lifetime employment"? Who are the best employees in your shop or best candidates to hire? The best match is between good employees and enlightened management who discern that training and development is an investment in their organization, not just an expense. New entrants to the field are less willing to be treated like pack mules: bear the loads and move straight ahead up the hill.

In our first telephone conference Professional Development was a key topic. The group all acknowledged the symptoms above and the maladies that affect professional groups such as the ISM, APICS and NCMA. Organizations are merely aggregates of individuals. So we pondered why don't staff don't volunteer in the ISM or take responsibility for their career development. Some people are too busy at work. Employers think that paying dues is too costly. Others have home commitments and cannot attend an evening event. Excuses....excuses....

Someone theorized that the "social contract" between the employer and employee was broken since the 1970s due to layoffs, force reductions and moving blue-collar jobs overseas and the subsequent workforce transformations and displacements. Another person stated that staff should be more motivated than ever to improve themselves in order to be competitive for their jobs. A third person concluded that most employees are alienated and don't care to engage in another management game. Do your job and go home! Be warned of giving into the complacency of fools! If you feel the draft, it's too late!

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## Your Career Action Plan for the New Year

People make New Year's resolutions with the best intentions, but they often fail for lack of a solid action plan. If you've resolved for 2006 to move your career forward into a new industry, occupation or level of responsibility, increase your chances of success with this three-part action plan focused on results.

1. **Know your career objective**
2. **Update your resume and cover letters**
3. **Update your network and networking skills**

### 1. Know your career objective

Knowing your career objective may sound obvious and easy. If, however, you are dissatisfied with your current position, it can be difficult to sort out the good from the bad. You may not fully understand the target of your dissatisfaction: Is it your job or your employer; your company's culture or your supervisor? Analyzing what you want in a job is a good start in determining the best new job for you.

If you are uncertain what type of position to focus on, start by identifying the transferable skills you enjoy(ed) using in your current or past positions. A professional career coach can be helpful in sorting out what you want to keep and, more importantly, what you want to avoid in your next position.

### 2. Update your resume and cover letters

If it has been a while since your last job search, your resume may no longer reflect your current career direction. Don't forget the most important elements of a strong resume: solid achievements that illustrate your transferable skills, and key words and phrases to capture employers' attention and interest.

Cover letters can make the difference between a warm reception or a cold shoulder. While it's true that not all resume screeners read cover letters, those who do are never impressed—and are often put off by cover letters that sound phony or mass-produced. If you are uncertain of your resume writing skills, a professional resume writer can transform your so-so resume & cover letters into true selling tools.

### 3. Update your network and networking skills

A good job-search network consists of all those persons who can provide information about future or current career opportunities. You say you don't have a network? You probably do, but you just haven't thought about people who could fit this category. Start by identifying groups of people that you are in contact with on a regular basis, such as professional associations, church, college alumni groups, and neighborhood associations. Then identify the individuals within those groups with whom you feel comfortable and who could help you learn of job leads.

Many of my resume and coaching clients lament their poor networking skills. I always tell them not to worry; they are in good company because most people feel inadequate when it comes to networking. Before you dismiss the value of a strong network, remember: In securing all-important job interviews, it's very often not what you know but who you know. There are many resources available for learning how to build and utilize a network to your job-search advantage: books, online articles, workshops, and career coaches trained in the most effective networking techniques.

Once you've put your job-search action plan into practice, you'll be on your way to a better job and a better life.

Deborah Walker, CCMC  
 Career Coach ~ Resume Writer  
 Find more job-search tips and resume samples at:  
[www.AlphaAdvantage.com](http://www.AlphaAdvantage.com)

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Precious few supervisors genuinely care about your career advancement, offering tips, ideas and helping you write a training or development plan? Precious few employees act like the commit themselves to their managers. This condition is not limited to our profession. Many churches, civic organizations and even families don't seem to develop and train their people very well. Why so? Less effort and thought are required to send people straight to their work with the thought that On-The-Job Training (OJT) alone will suffice. I advise everyone in the field to seek out and associate those sharing these values.

Feel free to critique column! Join the Professional Development forum on the ISM if you want more details and accounts. Join us at the next teleconference. I invite you to step up and participate in fixing a problem, bettering a system and serving others versus grumbling and complaining about how bad life can be to the poor and downtrodden."

# Overview of Pricing Strategies

By Henry Garcia, C.P.M., A.P.P.

This is the first in a series of articles by Henry Garcia, C.P.M., A.P.P.

Pricing decisions are the products of resolutions to complex problems. Whether in the public or private sector, these decisions may be made by executive or senior management, operations or marketing managers, matrix or cross-functional pricing teams, and other mutations of these individuals or groups. Because many organizations in either sector do not rank pricing and price determination high on their list of priorities, executive and senior management often leave pricing decisions to lower-level staff members. Allowing less experienced and functionally-focused subordinates to establish prices for the organizations goods and/or services can produce negative consequences (e.g., lost sales, decreased market share, lower profits, and reduced customer satisfaction/loyalty – especially relevant to private sector organizations).

Those staff members, at all levels or an organization, involved in the making of pricing decisions should be thoroughly familiar with the economic, fiscal, market, production/delivery, legal, and socio-political factors influencing these decisions. Purchasing and Supply Management professionals often are recognized for contributing useful and timely cost information and data that are used in the development of pricing decisions. These professionals also participate in the iden-

tification, analysis, and creation of pricing strategies for specific goods and services. In the private sector, for example, making profitable pricing decisions is essential to improving market share in an increasingly and globally competitive business environment.

A successful producing organization (supplier) makes profitable pricing decisions based on a fundamental understanding of several factors. These include:

- Value of a product or service to the buying organization or customer (buyer),
  - Relative position of the supplier in a progressively competitive marketplace,
  - Selection of the appropriate strategy for setting the price, and
- Price sensitivity (elasticity) of the buying organization or buyer for a particular product or service.

Although many suppliers concentrate on improving their core competencies, several textbooks and articles indicate that few suppliers expend much effort on developing effective pricing strategies. Probably, too many suppliers regard pricing as a painful exercise to be completed and then forgotten. Perhaps these suppliers consider pricing the “root canal” of product and service marketing. A skillful supplier, however, develops a pricing strategy for a product or service to maxi-

mize profit consistent with the supplier’s overall market objectives. Restoring profitability, especially in the current post-recession and highly competitive business environment, will depend, among other factors, on the efficient implementation of an effective pricing strategy. Recovery from a weak economy compels suppliers to take a broad view in executing a pragmatic pricing strategy.

## The Larger Picture

To attain the most favorable price, a supplier considers the “larger picture.” This broader view takes into account production or service delivery costs (including overhead), as well as marketing and sales costs, the underlying market structure of the industry, and the competitive instruments (e.g., promotion, discounting, and volume) available. A proficient Purchasing and Supply Management professional (purchaser), as the agent for the buying organization, not only understands the supplier’s “larger picture” but also assesses whether the price conforms to the purchaser’s cost strategy. Before accepting any price from a supplier, a purchaser should have a clear appreciation of the economic aspects of price.

**Next in the series is Price Economics.**

## Henry Garcia, C.P.M., A.P.P. Bio:

Garcia, an NAPM member for more than 20 years, has been active in the NAPM—San Antonio, Inc. affiliate holding offices of director of national affairs, president, vice president, and treasurer. He has been District II director and assistant director as well as serving on the Certification Board, Federal Acquisition and Subcontract Management Group, Organization and Planning Committee, Ad Hoc Committee on Minority Issues, Strategic Planning Committee, and Academic Advisory Committee.

Garcia is also a 20 year member of the National Purchasing Institute where he held a number of offices and has taught seminars. He has instructed purchasing courses at the LBJ School for Public Affairs, University of Texas, the University of Houston-Downtown, the School of Government, University of North Carolina, and the University of Georgia. In addition, he is currently an adjunct professor at Webster University teaching purchasing and supply chain management related graduate level courses. Garcia has also taught undergraduate programs in purchasing at San Antonio College and St. Mary's University.

Garcia was recognized by his peers with the purchasing profession's top award. NAPM announced Henry F. Garcia, C.P.M., A.P.P., as the recipient of its highest honor — the J. Shipman Gold Medal Award — on May 5, 1998, at NAPM's 83rd Annual International Purchasing Conference in Dallas, Texas.

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Federal Acquisition & Subcontract  
Management Group

We're on the Web!  
[www.fasmg.org](http://www.fasmg.org)

The FASMFG Group whose diverse membership base is actively involved at various stages including prime/subcontract level of contracting for goods, software, and/or services for ultimate use by federal, state, or local governments. Procurement that involves domestic materials as well as in the international market including those involving various federal governmental regulations, e.g. FAR and DFARS. Finally, the all important impact where "commercial terms and conditions and processes" sometimes find their "genesis" by being involved where hundreds of billions of dollars are committed each year by the federal government.

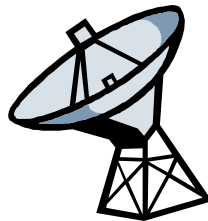
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Garcia earned his B.A. degree in psychology and M.A. degree in economics from St. Mary's University. He earned his Certified Purchasing Manager (C.P.M.) designation in 1975. Garcia has received many NAPM awards including NAPM—San Antonio, Inc.'s Conway L. Holmes Award in 1983, NAPM District II Professional Development Person of the Year in 1985, and the Harold M. Cosgrove Outstanding Purchasing Management Award in 1991, as well as NAPM's President Award in 1994.

"Mr. Garcia's contributions in the area of professional development and professional society participation is a matter of record. Since his joining NAPM in 1974, he has introduced a number of innovations at the local, district, and national level," wrote Gilbert Garza, C.P.M., director of national affairs, NAPM—San Antonio, Inc., in Garcia's nomination package. Garcia was instrumental in the establishment of NAPM's District XII and is developing a closer relationship with purchasing professionals in Mexico to initiate the establishment of an allied association.

Don't miss us at the  
**ISM's 91st Annual International Supply Management Conference and Educational Exhibit**  
in  
**Minneapolis Convention Center, Minneapolis, MN**  
**May 7 to May 10, 2006**

February Satellite  
Seminar  
Focuses on Ethics  
By  
Dwight A. Howes, J. D.



C.P.M., CPIM, director of materials for Anixter Fasteners, Dwight A. Howes, JD, partner, McGuireWoods LLP, and James T. Phillips, C.P.M., procurement coordinator with the Utah Department of Transportation. Additional program details are available in the satellite seminar area of the ISM Web site at [www.ism.ws/Seminars/SatSems/satsemEthicsSupplyMgmt.cfm](http://www.ism.ws/Seminars/SatSems/satsemEthicsSupplyMgmt.cfm).

What role does supply management play in developing standards for ethical behavior in your company? Does your organization have policies relating to ethics? If so, how can you enforce these policies? And if not, where do you start with developing an ethics policy? The panel will discuss these questions and more in the next ISM satellite seminar, "Ethics in Supply Management: Minding Your Actions and Decisions," which airs on Thursday, February 9, 2006 at 10 a.m. Eastern.

Leading the panel discussion will be Carla Lallatin, C.P.M., of Lallatin & Associates®, chair of ISM's Ethical Standards Committee. Joining Carla on the panel are Gary Drayer,

Who should attend? This satellite seminar is designed for all levels of supply management professionals as well as others involved in the supply chain (finance, operations, suppliers, etc.) from manufacturing, service or public sector organizations who are concerned with preventing ethical violations rather than merely identifying them after the fact.

During the program, attendees at local satellite seminar downlink sites across the U.S. will have the opportunity to discuss a few ethical issues and relay their thoughts and questions to the panel. To locate a downlink site in your area, contact Valerie Gryniwicz at 800/8882-6276 or 480/752-6276, extension 3090, or e-mail [vgryniwicz@ism.ws](mailto:vgryniwicz@ism.ws).