

Presented by



and

Center for Strategic Supply Leadership

# SUPPLY MANAGEMENT

AS THE *CFO*

# OF THE SUPPLY CHAIN

An Executive Development Program  
Sponsored by ISM's Center for Strategic Supply Leadership

August 13-15, 2003  
Scottsdale Conference Resort  
Scottsdale, AZ

[www.ism.ws](http://www.ism.ws)  
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**CREATE THE VISION.  
SHARE THE SUCCESS.  
LEVERAGE THE VALUE.**

## **Supply Management as the *CFO* of the Supply Chain**

**August 13-15, 2003**

*Supply Management as the CFO of the Supply Chain* is an advanced-topic program from the Center for Strategic Supply Leadership (CSSL). This is one in a series of “evolving-edge” supply practice programs for those seeking strong leadership within their firms and networks.

Build upon your **strategic sourcing** initiatives during this research-based program targeted at senior supply professionals who seek broader **cost and price takeout** over the supply base as well as within the organization’s internal chains.

This highly interactive program presents tools, techniques, and insights on how to exert one’s influence over the entire chain by using a financial orientation and position of strength. This two and one-half day program captures the best practices from those gaining price and cost advantage by understanding and attacking unnecessary assets, activities, processes, materials, and services extending from suppliers and their suppliers all the way through the organization. By taking this financial view to strategic supply management, one can go way beyond what is possible from just simple price negotiations.

### **Who Should Attend**

This program accepts only individuals who have experience in the field and who demonstrate the following leadership qualities:

- Breakthrough thinking
- A drive to achieve and succeed
- Decisiveness
- A market focus perspective
- Entrepreneurial spirit
- Vision
- Willingness to share ideas
- A strong business background

### **This program benefits:**

- Those who are serious about going beyond the basic goals of price negotiations
- Directors charged with reducing costs, managing investment risk, and optimizing resources in the organization’s chain
- Managers responsible for identifying and implementing outsource/insource decisions
- Influence leaders responsible for adding to the capabilities of the supply group

## OBJECTIVES

This program presents the following core areas of strategic supply strength:

- Expanding price negotiation to explore other areas that reduce expenditures, assets, processes, and time resulting in deeper price advantage
- Insights into how costs and assets can be reduced or more efficiently used
- Leveraging the relative advantages of your organization and those of your supplier(s)
- Using cost takeout as an issue to extend supply's reach throughout the micro and macro environment
- Exploring areas where cost savings has the greatest potential and longest sustainability
- Taking a leadership role to improve business by leveraging financial elements in supply
- Identifying and reducing the financial risk of the organization through supply

## Wednesday, August 13, 2003

### **“Taking Cost Leadership across the Chain/Network”**

Joseph L. Cavinato, Ph.D., C.P.M., Director of ISM's Center for Strategic Supply Leadership (CSSL) and ISM Professor of Supply Management at Thunderbird, The American Graduate School of International Management

Price negotiation has limits to what it can accomplish. The leaders in supply, who get farther with more sustainable results, are those who find the root of costs and their structures. Success comes from identifying those behaviors that are embedded in the supply chain's investments and processes. Key objectives of this session include:

- Providing a road map for costs across the chain and beyond your own organization
- How to start price discussions with process probing and cost discovery
- Taking leadership beyond your department or team to deliver organizationwide results

### **“Insights into Driving Key Financial Targets through Supply”**

Timothy Van Mieghem, CPA, Founder and Partner, The ProAction Group

Learn how to translate financial objectives into the operations of the sourcing function. The sourcing function controls as much as 55-65 percent of the company's cost structure and wields assets unmatched by any other function. Discover how to incorporate the goals for the income statement and balance sheet into the supply network. The objective of this workshop is to expand your mind-set in terms of leveraging sourcing to achieve corporate financial goals. Highlights of this session include:

- Review the principal ways that sourcing impacts the balance sheet
- Build a road map to the income statement
- Tools that assist in driving financial impact through sourcing
- How to positively exploit the assets of the supply base

- Demonstrate how to link financial goals to sourcing strategy and tasks
- Lean manufacturing efforts
- Strategic initiatives that require new ways to develop competitive advantages
- Total cost of ownership and the trends toward global sourcing and advanced supply chain management

### **Dinner Speaker**

#### **“Can’t Integrate Your Supply Chain? Try Facilitation Instead!”**

**Thomas Brunell, Vice President, Supply Network Services, Avnet Electronics Marketing**

Although the current focus is on integrating the supply chain, integration appears to be elusive for most of us. Supply chains are more web-like than linear, which makes integration a real challenge. This session takes a look at how going back to the “basics” can facilitate integration and achieve very powerful results. You probably have many of the basic tools in your kit right now. It may be time to rethink the application of these tools and get away from the concept that sophistication is the answer.

### **Thursday, August 14, 2003**

#### **“CEO Driven Purchasing for this Decade: Setting Priorities and Targeting Opportunities”**

**Peter D. Shadek, Principal, A.T. Kearney**

Over the past decade, many companies have embarked upon — and achieved significant results with — strategic sourcing initiatives. These initiatives have frequently focused on leveraging scale and introducing competition into specific categories. Today, senior supply executives are increasingly being charged with driving additional cost reductions and productivity improvements, while tightly managing organizational and technology budgets. CEOs are challenging their CPOs to boost true business value by aligning supply strategies with corporate business strategies.

Because future improvement opportunities will be more challenging, and will most likely be realized through different means than in the past, this session focuses on setting the CPO agenda from a financial perspective. Setting priorities and targeting opportunities through supply management processes, organization, and technology will be a mainstay of the new agenda. This framework, developed by A.T. Kearney, helps executives balance the need for organizational and technology investments with the cost savings resulting from these improvements. The CPO agenda addresses some of the newer strategies that companies are pursuing today, including mega-suppliers, demand management, and e-supply management (e-tools). In addition, the CPO agenda provides a framework for helping CPOs and other senior procurement executives decide where to invest or restructure their procurement organizations and where to deploy technologies.

## **“New Levels of Influence: Extending One’s Reach”**

**Michael T. Smith, President, Thomas Advisory Group**

In a little more than a decade, purchasing managers have become supply chain managers and dramatically improved the cost efficiency of their direct supply chain in the process. Now, today’s successful supply chain managers are driving their efforts beyond their direct supply chain, focusing on impacting the broader financial goals of their organization as well as their suppliers. This session highlights the characteristics of a supply-driven organization. Explore how supply managers extend their reach to other areas of their organization, and go deeper into their suppliers’ chains. Be prepared for an in-depth analysis using several case studies to illustrate real-world applications. The second half of the session involves a group exercise to identify immediate opportunities to focus on when you return to your office.

## **Friday, August 15, 2003**

### **“Going Forward: Building Your Own Game Plans”**

**Joseph L. Cavinato, Ph.D., C.P.M., Director of ISM’s Center for Strategic Supply Leadership (CSSL) and ISM Professor of Supply Management at Thunderbird, The American Graduate School of International Management**

Previous sessions presented actual building blocks to a powerful and more substantial supply capability. This session presents the strategic and managerial underpinnings that you can use for assessment and execution within your group. Discover how to reach out across your organization and how some supports extend into supplier tiers. This session offers a flexible template to use in your unique setting.

## **The Faculty**

**Thomas Brunell**, vice president, Supply Network Services, Avnet Electronics Marketing, has a career spanning nearly 30 years in supply chain management, electronics manufacturing, and materials management. Brunell served on the board of directors for the Supply-Chain Council for seven years and was chair in 1999. He is a recognized authority on supply chain strategies, speaking frequently on this topic. He has presented at the annual conferences of the Council of Logistics Management, the Institute for Supply Management™ (ISM), and APICS as well as supply chain conferences in Asia and Europe. He was the editor of *Global Supply Chain* magazine and has worked with the North American Electronics Initiative (NEMI) to develop its supply chain strategy. Brunell received a B.S. in nautical science from Massachusetts Maritime Academy.

**Joseph L. Cavinato, Ph.D., C.P.M.**, director of ISM’s Center for Strategic Supply Leadership (CSSL) and the architect for this program, is also ISM professor of supply management at Thunderbird, The American Graduate School of International Management where he teaches MBA courses on supply chain management, purchasing, and logistics. His other teaching, executive management, and research activities are in the areas of business futures, strategic business models, and international business. Cavinato is a senior fellow in the Center for Global Leadership and was a professor of business logistics at Penn State from 1978 until 1999. He is currently co-authoring books entitled *The Leveraged Pyramid*, *Marketplace Intelligence*, and *Supply Chain and Operations Handbook*. He has written over 160 cases in strategy, inter-organization linkages, purchasing, and value chain management.

**Peter D. Shadek**, principal, A.T. Kearney, has more than 15 years of strategy and operations consulting experience (including working in Japan for two years) in a variety of manufacturing and service industries. He has led major profitability improvement and restructuring engagements that focus on strategic sourcing, procurement, organizational design, and enterprise transformation. In the strategic sourcing arena, he developed a unique strategy for addressing mega-supplier relationships. These relationships are characterized by significant "captive spend," often running into the hundreds of millions or even billions of dollars with individual suppliers. The mega-supplier strategy has been used successfully in several industries (including telecommunications and energy) to dramatically improve strategic partnerships while reducing costs.

A.T. Kearney is an innovative, corporate-focused management consulting firm known for high-quality, tangible results and its working-partner style. The firm was established in 1926 to provide management advice concerning issues on the CEO's agenda. Over the past decade, A.T. Kearney has worked with leading companies to conduct global best-practice studies within the procurement arena. Shadek received a B.S., Engineering, Bucknell University and an MBA, Dartmouth College, The Amos Tuck School of Business Administration.

**Michael T. Smith**, president, Thomas Advisory Group, is a recognized industry leader in the field of developing and marketing cutting-edge EDI, commercial card, and electronic commerce applications. Previously, Smith had over 18 years of experience in the corporate sector, specializing in technology and finance. His career includes senior positions with several major banks. His uniquely diversified experience in the e-commerce field includes management, marketing, sales, product development, purchasing system design, and information systems design. During his tenure within the financial services sector at such institutions as Citibank, U.S. Bank, and CoreStates, he built a strong track record in creating new business lines while developing a strong reputation for integrity and expertise. Smith has also held positions on the VISA Domestic and International Commercial Card Advisory Boards. During the early 80s, he co-founded the Delaware Valley EDI Roundtable, a Northeast EDI user group of local business professionals dedicated to the advancement and promotion of EDI in the business community. He served as chairman of this group during its inaugural two-year period. Currently, Smith is focused on helping companies convert their legacy business practices to take advantage of the new virtual market of Internet-based solutions. Through Thomas Advisory Group's innovative methods and procedures, companies achieve "best in class" recognition that separates them from their competition and improves their bottomline. Smith has a B.S. in management of information systems and an MBA in finance, both from Drexel University.

**Timothy Van Mieghem, CPA**, a founder of The ProAction Group, implements projects and delivers services that result in improved client operations. Examples include international distribution and sourcing, metrics implementation, lean manufacturing, and reverse partnering. Every project has achieved the dual goal of obtaining specific results, whether reducing costs or enhancing services, and training the client to continue or replicate the process. Van Mieghem's clients include companies in the automotive, chemical, consumer products, food products, and other industries, ranging in size from less than \$10 million in sales to the Fortune 25. He has also created, written, and taught executive seminars on international sourcing, negotiations with suppliers, interpersonal communications, and how to harness the computer as a management tool. He is the author of the Prentice Hall book, *Implementing Supplier Partnerships: How to Lower Costs and Improve Service*. Van Mieghem has a B.S. degree in accounting from Marquette University.



## Scottsdale, Arizona

With an abundance of world-class resorts, championship golf courses, award-winning spas, fabulous shopping, and exclusive art galleries, Scottsdale, Arizona is a prime destination for travelers throughout the country and the world. Scottsdale (and the surrounding metro area) is known as the "Valley of the Sun."

The Valley of the Sun is home to over 3 million residents and is over a thousand square miles in area. Scottsdale has over 600 restaurants ranging from Southwestern barbecue and South of the Border cuisine to Pacific Rim fare and everything in between. Day trips to scenic Arizona destinations like the Grand Canyon and Sedona are an added benefit.

For more information about Scottsdale, the greater Phoenix metropolitan area, and other points of interest in Arizona, visit [www.arizonaguide.com](http://www.arizonaguide.com).

## Alumni from ISM executive programs represent the following organizations:

Bechtel Corp.

Dynegy Inc.

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United Technologies Corp.

Corning

IBM

Value Part Inc.

Deere & Co.

Johnson & Johnson

Whirlpool Corp.

Delta Air Lines

Pfizer Inc.

DuPont

Procter & Gamble Co.

## Registration Information

**Accommodations** — Please make your own hotel reservations. All sessions are at the Scottsdale Conference Resort, 7700 East McCormick Parkway, Scottsdale, AZ 85258. For reservations, call 800/528-0293 or 480/991-9000. Be sure to mention ISM to receive the special room rate of \$149/Single. Please make your reservations by July 12, 2003. For more information on the Scottsdale Conference Resort, visit its Web site at [www.scottskonf.com](http://www.scottskonf.com).

**U.S. Tax Deductions** — The U.S. Internal Revenue Service may permit an income tax deduction to U.S. residents for expenses (including registration fees, travel costs, meals, and lodging) incurred in pursuit of continuing professional education. Consult your tax advisor for details.

**Cancellation and Refund Policy** — Notification of your cancellation must be received in writing. Cancellations received up to the day prior to the program are subject to a \$100 cancellation charge. No refunds once the program has begun. Registrants who fail to attend a program are not entitled to a refund.

**Air Transportation** — ISM's official airline carrier is American Airlines. Call American Airlines directly, weekdays at 800/221-2255. Please refer to file #3883AD. Please confirm your conference registration before making air travel arrangements.

**Ground Transportation** — You are responsible for your own ground transportation. The Scottsdale Conference Resort provides round-trip ground transportation at your request for \$14 plus tax each way from Sky Harbor International Airport. Dial 39 from the hotel courtesy phone in the baggage claim area and a van will pick you up in the designated area. Refer to your confirmation letter for details.

**Food for Thought** — Your full registration includes the following meals and events: Tuesday dinner; breakfast, lunch, and dinner on both Wednesday and Thursday; breakfast and lunch on Friday. Your confirmation letter will include details for these events.

**The ISM Guarantee** — Satisfaction with all programs is guaranteed. If you are not satisfied, ISM will provide a complimentary program registration or a refund. Please contact ISM within 30 days of the program in order to receive your complimentary registration or refund. If you register for this program and you are unable to attend, please notify ISM Customer Service before the program start date. ISM reserves the right to substitute instructors. If the program is not held for any reason, ISM's liability is limited to the program fee.



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**Scottsdale, Arizona**  
ISM Program 3050F

## **Tuition**

**Members: \$2,995 for one and \$2,795 each for two or more from the same company**

**Nonmembers: \$3,295 for one and \$3,095 each for two or more from the same company**

## **Four Easy Ways to Register**

**Internet:** Register online at [www.ism.ws](http://www.ism.ws).

**Fax:** Transmit completed form with credit card information to 480/752-2299.

**Mail:** Complete the form below and mail with check or credit card information to ISM/CSSL,  
P.O. Box 22160, Tempe, AZ 85285-2160, USA.

**Phone:** Call Customer Service at 800/888-6276 or 480/752-6276, extension 401. Please have your credit card number ready.

Organization Name \_\_\_\_\_

☐ ISM Member ☐ Nonmember ISM ID # (if known) \_\_\_\_\_

### **First Attendee**

☐ I am a C.P.M. ☐ Dr. ☐ Mr. ☐ Mrs. ☐ Ms. ☐ Miss

Name \_\_\_\_\_ Title \_\_\_\_\_

**Mailing Address:** ☐ HOME ☐ BUSINESS

City \_\_\_\_\_ State \_\_\_\_\_ ZIP/Postal Code \_\_\_\_\_

(\_\_\_\_\_) \_\_\_\_\_ (\_\_\_\_\_) \_\_\_\_\_

Daytime Phone Number\*\*

Fax Number\*\*

E-Mail Address \_\_\_\_\_

### **Second Attendee**

☐ I am a C.P.M. ☐ Dr. ☐ Mr. ☐ Mrs. ☐ Ms. ☐ Miss

Name \_\_\_\_\_ Title \_\_\_\_\_

(\_\_\_\_\_) \_\_\_\_\_ (\_\_\_\_\_) \_\_\_\_\_

Daytime Phone Number\*\*

Fax Number\*\*

E-Mail Address \_\_\_\_\_

\*\*For international phone numbers, please include country and city codes.

### **Method of Payment (U.S. Funds Only)**

☐ Personal ☐ Organization check is enclosed for \$ \_\_\_\_\_

Organization Name \_\_\_\_\_

Credit/Procurement Card Charge ☐ VISA ☐ MasterCard ☐ American Express ☐ Diners Club

Charge Card # \_\_\_\_\_ Expiration Date \_\_\_\_\_ / \_\_\_\_\_

Amount to be Charged \$ \_\_\_\_\_ Cardholder Signature \_\_\_\_\_

☐ Please check here if you have any special needs that we can address to make your participation more enjoyable and informative (this includes any dietary or physical requirements).

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## Center for Strategic Supply Leadership (CSSL)

Helping organizations build strategic supply competencies for today and the future.

CSSL is a research-based executive education and development body within the Institute for Supply Management™ (ISM) devoted to building strategic supply competencies and capabilities within firms and organizations.

CSSL's research stream seeks how firms are facing and strengthening competitiveness and applying this through their supply capabilities. The focus is on purchasing and supply needs as seen from the outside and above the field within the overall organization.

CSSL then

- a) translates and integrates these insights into building purchasing and supply competencies for organizations, and
- b) creates insights for identifying future trends and opportunities.

## Supply Management as the *CFO* of the Supply Chain

August 13-15, 2003

### Agenda

Wednesday 8/13/03	Thursday 8/14/03	Friday 8/15/03
<p><b>"Taking Cost Leadership across the Chain/Network"</b></p> <p><b>"Insights into Driving Key Financial Targets through Supply"</b></p> <p><b>"Can't Integrate Your Supply Chain? Try Facilitation Instead!" (Dinner Speaker)</b></p>	<p><b>"CEO Driven Purchasing Priorities for this Decade: Setting Priorities and Targeting Opportunities"</b></p> <p><b>"New Levels of Influence: Extending One's Reach"</b></p>	<p><b>"Going Forward: Building Your Own Game Plans"</b></p>