



AWARD WINNERS

ISM's R. Gene Richter Awards for Leadership and Innovation in
Supply Management and the R. Gene Richter Scholarship Awards



Recognizing excellence in supply management.

Presented
MAY 5, 2008, ST. LOUIS



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ISM R. Gene Richter Awards for Leadership and Innovation in Supply Management

Because of the critical role of supply management, businesses survive and thrive only when each supply chain is carefully and creatively managed. Foremost in the profession are those individuals and organizations who embrace leadership and creativity to manage complexity and risk.

The ISM R. Gene Richter Awards for Leadership and Innovation in Supply Management were created to honor the vast professional contributions of R. Gene Richter, who was a pioneer in the field of supply management. He was a leader and innovator, and these awards are designed to capture the essence of his stellar career.

We are pleased to announce the winners of the 3rd Annual ISM R. Gene Richter Awards for Leadership and Innovation in Supply Management. Each winning organization exemplifies the spirit of the awards and the determination of the awards' namesake, R. Gene Richter. Winners' profiles begin on page 8.

Winners are recognized during the ISM Annual R. Gene Richter Awards Banquet on May 5, 2008 in St. Louis. Winners present their stories during the 93rd Annual International Supply Management Conference and Educational Exhibit at workshop sessions that are open to all Conference attendees.

Goals of the awards program

Identify and share leadership and innovation in supply management practice within supply management departments.

Provide recognition to supply management departments receiving awards.

Promote supply management as a strategic contributor to the organization.

Enhance the profession in the eyes of senior management.

Demonstrate leadership and innovation practice through conferences, ISM publications, case studies and other media.

About R. Gene Richter (1937-2003)

R. Gene Richter was a leader and innovator in supply management and a galvanizing force in the field of procurement. Richter led the supply organizations at The Black & Decker Corporation, Hewlett-Packard Company and International Business Machines (IBM). All three of these organizations won *Purchasing* magazine's Medal of Professional Excellence. His thoughts, ideas and practices transformed modern thinking in the emerging procurement field. As a vice president at IBM starting in 1994, Richter's work radically and rapidly remade IBM and changed the course of its history. He was instrumental in altering the supply culture and practices to create an innovative supply management organization that was widely hailed as a key to IBM's turnaround. Leadership and innovation leading to transformation were the hallmarks of Richter's time at IBM.

The ISM R. Gene Richter Awards for Leadership and Innovation in Supply Management were established to recognize innovative supply organizations that through strong leadership have dramatically increased their contribution to organizational success. Richter spread the message to eliminate complexity and maintain flexibility. These awards have been designed to capture the spirit of Gene Richter.

About the Awards

Category 1: **PROCESS**

Submissions relate to leadership and innovation in transforming a supply-related process, such as sourcing or supplier relationships, cost, quality, inventory, transportation or project management. Examples include: improving cash flow and the financial supply chain; increasing cost-competitiveness; implementing a cost management process; the supplier performance management process; measuring and validating cost savings, reductions and avoidance; inventory and asset management; and social responsibility.

Category 2: **TECHNOLOGY**

Submissions relate to an innovation where technology was the key driver and source of substantial contribution to organizational success. Examples include: technology applications to the requisition-to-pay flow path; online tools for purchasing-category strategy execution; online buyer-supplier collaboration; and new product or service development.

Category 3: **PEOPLE**

Submissions relate to an innovation in attracting, retaining, developing or managing human capital to make a substantial improvement in supply's contribution to organizational success. Examples include: management development programs for supply; knowledge management initiatives; hiring and retention programs; skills and knowledge acquisition and enhancement programs; and training a global workforce to foster social responsibility.

Category 4:

ORGANIZATION/STRUCTURE

Submissions relate to the structure and organization of the supply process and function, and the results obtained because of significant and successful structural/organizational change. Examples include: a transition to a new structure (for example, from a highly decentralized to a centralized/decentralized structure); and development of a team-based approach for a specific activity such as new product/service development, strategic sourcing, a change in reporting lines and/or the status of the chief procurement officer.

Based on the merits of the submissions, we have selected five winners for 2008. In support of the ISM mission "to lead supply management," the Richter Awards Oversight Committee focused on identifying entries that demonstrated leadership and innovative thinking coupled with measurable organizational impact.

A group of respected supply management executives and academics set policy and direction for the awards with a vision to "create a prestigious supply management awards program to recognize leadership and innovation in supply management and further the understanding and importance of supply management to business success." We believe they have successfully developed an awards program that acknowledges these successful supply chains.



AWARD WINNERS

Amsterdam
Antwerp
Athens
Atlanta
Auckland
Bangkok
Barcelona
Beijing
Berlin
Bogotá
Boston
Brussels
Budapest
Buenos Aires
Calgary
Caracas
Casablanca
Charlotte
Chicago
Cleveland
Cologne
Copenhagen
Dallas

Detroit
Dubai
Dublin
Düsseldorf
Frankfurt
Geneva
Gothenburg
Gurgaon
Hamburg
Helsinki
Hong Kong
Houston
Istanbul
Jakarta
Johannesburg
Kuala Lumpur
Lima
Lisbon
London
Los Angeles
Luxembourg
Madrid
Manama



Manila
Melbourne
Mexico City
Miami
Milan
Minneapolis
Montréal
Moscow
Mumbai
Munich
New Jersey
New York
Orange County
Oslo
Paris
Philadelphia
Pittsburgh
Prague
Rio de Janeiro
Rome
San Francisco
Santiago

São Paulo
Seattle
Seoul
Shanghai
Silicon Valley
Singapore
Sofia
Stamford
Stockholm
Stuttgart
Sydney
Taipei
Tel Aviv
Tokyo
Toronto
Verona
Vienna
Warsaw
Washington, D.C.
Zagreb
Zurich

Congratulations to the
nominees and winners of the 2008

ISM R. Gene Richter Award

for Leadership and Innovation
in Supply Management

McKinsey&Company

The Selection Process

Applications are received by ISM via a special Web site. Each application is assigned to a team of evaluators. Evaluators rate the application against a set of five criteria. Those criteria are: (1) the initiative addresses a major organizational challenge; (2) the solution is innovative; (3) the supply management department exhibits leadership throughout the process; (4) the results have an impact on the organization's performance; and (5) the results are supported by validation. ISM reviews the evaluator ratings to ensure ratings are not significantly out of scope across the team of evaluators. If out of scope, the application is assigned to additional evaluators.

After all applications have been rated, the top applicants in all four categories are identified. These applications move to the next stage of the evaluation process.

The Evaluation Committee met in November 2007 to discuss the top

submissions for the 2008 awards. At the meeting, the committee reviewed these select applications against the award criteria set and arrived at a recommended slate of winners to pass along to the Oversight Committee for final review and approval. At its December 2007 meeting, the Oversight Committee reviewed the recommended applications and approved the full slate of recommended winners as presented by the Evaluation Committee.

Beginning with the 2008 awards, the Oversight Committee recommended a new level of recognition. From the top 20 applications, the 15 applications that were not selected as winners of the 2008 ISM R. Gene Richter Awards were designated as Finalists. These organizations will receive a framed certificate in recognition of this achievement.

The Judging Process

Three factors were key in guiding the judges' selections. First, projects must

address complex challenges for which new solutions would have organizational and/or supply chain impact. Second, top contenders must offer a truly innovative solution, rather than just a modest improvement over existing practices. Third, entries must be supported by rigorous data on real-world performance. Judges looked for results that are measured, significant and sustainable. They may be hard or soft, and projected or actual. The results may be measured against any recognized metric, such as revenue enhancement, asset management, cost management, productivity, speed-to-market or competitiveness. Metrics are not confined to this list. While results may be projected or actual, judges place higher value on results that are supported by data. Results may be presented as percentages or the magnitude of change rather than absolute numbers. If appropriate and available, validation outside the supply area is welcome.

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because the Right People
>>> are the Answer

Congratulations to the nominees and recipients of R. Gene and Nancy D. Richter Scholarship Foundation and R. Gene Richter Awards for Leadership and Innovation in Supply Management.

Our finalists for the ISM R. Gene Richter Awards for Leadership & Innovation in Supply Management encompass 20 applications representing 19 organizations. The finalists come from industries covering everything from telecommunications to supermarkets to pharmaceuticals, packaging and transportation, with everything in between.

Kudos to these organizations for raising the bar and bringing supply management best practices to the forefront.

Congratulations to our **FINALISTS**

Ahold U.S.A., Inc. —
Corporate Brands
Category: People

Alltel Communications, LLC
Category: Organization/Structure

The Auto Club Group (AAA)
Category: Process

Boston Scientific Corporation
Category: Process

BP p.l.c.
Category: Process

Cessna Aircraft Company
Category: Process

Delphi Corporation
Category: Organization/Structure

The Dow Chemical Company
Category: Process

FedEx Express
Category: Process

Hewlett-Packard
Category: Process

Lockheed Martin Aeronautics
Company
Category: Process

Masco Corporation
Category: Technology

MeadWestvaco Corporation
Category: Process

MeadWestvaco Corporation
Category: People

Merck & Co., Inc
Category: Organization/Structure

Merrill Lynch, Inc.
Category: People

Pfizer Inc
Category: Process

The Procter & Gamble Company
Category: Organization/Structure

Raytheon IDS Integrated
Supply Chain
Category: Process

Royal KPN N.V.
Category: Process



AWARD WINNERS

ISM's R. Gene Richter Awards for
Leadership and Innovation in Supply
Management and the R. Gene Richter
Scholarship Awards

HP

In recent years, the progress of industry and its initiatives surrounding social and environmental responsibility (SER) issues has gained greater attention. Few sectors, however, find themselves under the microscope quite like the electronics industry. The public, media, customers and investors all want to know how the industry is faring with its SER goals. While several companies in the sector are making inroads, HP is excelling throughout its operations, supply chain and industry. Despite the enormity of its supply chain (600 suppliers internationally and more than 300,000 workers), the success of the company's SER program earned HP a 2008 R. Gene Richter Award in the Process category.

HP's approach to implementing SER is based on early, frequent and proactive involvement with suppliers to develop a partnership for healthy, safe and improved workplace conditions. The company's long-term commitment is to achieve sustained improvement by building its suppliers' social and environmental capabilities and helping them realize the business case for corporate citizenship.

HP prioritizes suppliers based on several

risk categories: geographic location, manufacturing processes, relationships, volume and historical company information. Upon applying these criteria, the company determined that 160 of its direct material suppliers, with more than 300 factories in countries that HP identified as higher-risk countries, needed to actively participate in the SER program.

Once these suppliers were identified, HP employees conducted an audit of the suppliers. If an HP auditor finds a major nonconformance, the supplier has from 30 to 180 days to commit to address the issue(s). The supplier must include a time line for closing nonconformances in its detailed corrective action plan. The HP supplier relationship manager and audit team both monitor supplier progress closely and ensure that the supplier resolves all major nonconformances in a timely manner. "We believe that our sourcing needs should not require major nonconformances such as excessive working hours or violations of the law, and that higher labor and environmental standards ultimately lead to higher quality products," says Judy Glazer, director, global operations social and environmental responsibility for HP.



Company: HP
Award Category: Process
Size: HP has approximately 172,000 employees worldwide and revenue totaling \$107.7 billion for the four fiscal quarters ending January 31, 2008.

Web Site: www.hp.com

Company Description: HP focuses on simplifying technology experiences for all of its customers — from individual consumers to the largest businesses. With a portfolio that spans printing, personal computing, software, services and IT infrastructure, HP is among the world's largest IT companies.

Project Focus: HP requires and helps its suppliers meet high social and environmental responsibility standards. HP was the first IT company to implement a Supplier Code of Conduct. The company conducts supplier assessments and audits, follows up to drive continuous improvement, reports publicly and leads

capability building projects.

Key Successes: In 2006, HP spearheaded the establishment of the Electronics Industry Code of Conduct (EICC) to promote industry standards for socially responsible business practices across global supply chains. The Code paved the way for a standards-based approach for monitoring suppliers' performance across several areas of social responsibility.

Key Individuals: Judy Glazer, director, Global Operations Social and Environmental Responsibility; Bonnie Nixon-Gardiner, manager, Global Operations Social and Environmental Responsibility; Karl Daumueller, lead auditor, Supply Chain Social and Environmental Responsibility; Lindsey Ridgeway, program manager, Supply Chain Social and Environmental Responsibility; Mike Vaudreuil, program manager, Global EHS and Assurance; and Mark Heintz, program manager, Social and Environmental Responsibility.

Lockheed Martin Aeronautics Company

For major aeronautics manufacturers, having adequate supplies of titanium, aluminum and composite materials is critical. This is especially true with raw material providers running at near-capacity levels worldwide.

"Part shortages due to unavailable raw materials will cause tremendous consequences by disrupting the moving assembly line and impacting aircraft deliveries," says Mike Jones, Lockheed's Information Systems and Technology (IS&T) supply chain integrator. "Therefore, all efforts must be made to ensure part shortages are minimized throughout the supply chain."

To do that, the LM Aeronautics Material Management and IS&T functions joined forces to launch a preemptive strike: their Forecasted Raw Material application, or FoRM.

LM Aeronautics, Northrop Grumman and BAE Systems share responsibility for the manufacture of the Joint Strike Fighter (JSF), with each outsourcing large assemblies and hundreds of component parts to sub-tier supply chains. FoRM is an information technology solution that gathers required data from various systems and generates a com-

prehensive, time-phased raw material forecast for the JSF program. A total part list is produced, and quantities of each part are forecasted for a single plane. Multiple years of forecasted raw material needs are presented within FoRM by type and monthly need.

While deployment of the FoRM tool has been recent, Jones says its impact on the material management function is already very apparent. For example, a long-term agreement with a raw material provider resulted in a 28 percent savings over previously negotiated pricing.

Richter Award selection for FoRM was based on the tool's flexibility and adaptability to product life cycle. "For the industry, the solution is innovative," says Andy Winterbottom, chair of the ISM R. Gene Richter Awards for Leadership and Innovation in Supply Management Oversight Committee.

Also noteworthy are three key features: FoRM's Type/Version Effectively (TVE) Baselining; portal-based Forecast Variable Administration; and Trading Partner Segregation. "These new features were custom-developed for this project, and are not commercial, off-the-shelf modules," Winterbottom adds.



Company: Lockheed Martin Aeronautics Company

Award Category: Process

Size: \$12.3 billion in sales in 2007; 24,698 employees

Web Site: www.lockheedmartin.com/aeronautics

Company Description: Lockheed Martin Aeronautics Company, a business area of Lockheed Martin, is a leader in design, research and development, systems integration, and production and support of advanced military aircraft and related technologies. Its customers include the military services of the United States and allied countries throughout the world. It is headquartered in Bethesda, Maryland.

Project Focus: The development of Forecasted Raw Material (FoRM), an information technology solution that gathers required data from various systems and generates a comprehensive, time-phased raw material forecast for the JSF program.

Key Successes: Significant reduction on negotiated pricing for long-term raw material contracts (for example, the aforementioned 28 percent savings over previously negotiated pricing with a long-term agreement with a raw material provider); raw material supplier analysis regarding out-year capacity management and regional fulfillment; enhanced inventory optimization and demand planning for raw materials for all program trading partners.

Key Individuals: Chuck Moritz, director of supply chain integration; Mike D. Jones, information systems & technology supply chain integrator.



Front Row (left to right): Shelly Adamie, Alan Lulla, Mike Jones.
Back Row (left to right): Jeff Bracken, Dale Hollingsworth, Eddie Blakeman, Scott Lester.

Pfizer Inc



(From left to right): Ania Kuzniar, Richard Connell, Charles Calvert, Sam Dowell, Phil Presti, Jim Taylor, Scott Whelan, Eric Shobe.

Company: Pfizer Inc

Award Category: Process

Size: \$48 billion revenue in 2007; 86,600 employees

Web Site: www.pfizer.com

Company Description:

Founded in 1849, Pfizer is a global leader in healthcare. The company's portfolio of medicines addresses a broad range of therapeutic areas, and has an industry-leading pipeline of new products in areas such as oncology, cardiovascular disease and diabetes.

Project Focus: Developing an electronic sourcing and reverse auction process to achieve significant savings for the organization.

Key Successes: Validated that reverse auctions can provide significant value in non-commodity sourcing such as R&D. Utilized reverse auctions to drive a higher value strategy to positively impact drug discovery and development within Pfizer. Overall, it demonstrated the synergy that can be obtained from procurement and R&D working collaboratively.

Key Individuals: Sam Dowell, senior director, Worldwide Procurement; Eric Shobe, director, Worldwide Procurement; Scott Whelan, director, Worldwide Procurement.

Reverse auctions have been utilized by pharmaceutical companies for years now, but usually not for complex commodities, such as the synthetic chemistry needed to manufacture cutting-edge drugs. Pfizer Inc, the world's largest pharmaceutical company, took e-sourcing to a new level with an innovative reverse auction process to venture outside traditional commodity territory and into research and development sourcing. This Richter Award-winning process transformed the organization's overall agility and achieved significant double-digit savings.

Three years ago, Pfizer Worldwide Procurement was challenged to deliver \$2 billion in purchased goods and services savings by 2008. The team developed a sourcing strategy with a new reverse auction tool playing a key role as it began to source commodities considered core to the research and development organization — items that are highly technical in nature and require very specific skill sets.

Procurement collaborated closely with the scientists, medical doctors and clinicians that design and interpret clinical trials and associated activities, which enabled the team to lead the execution of multiple reverse auction events across the core categories supporting drug development. These efforts played a

tremendous part in the Research, Development and Medical organizations' sourcing strategies and, according to Pfizer, created competitive market dynamics, accelerated negotiations and enabled fact-based supplier selection decisions.

Some of the service categories that were reverse auctioned included:

- Medicinal chemistry;
- Site monitoring;
- Data management;
- Clinical laboratory services;
- Medical inquiry handling;
- Outcomes research.

During the three-year period since the e-sourcing strategy has been in place, more than \$500 million has been sourced across the aforementioned (and numerous other) commodities.

Through careful utilization of this tool, Pfizer officials say they have stabilized the extended supply base, allowing them to focus on continuous improvement programs rather than serial supplier selection exercises. "We have demonstrated the value procurement professionals bring to cross-functional teams in this nontraditional, high-value, high-complexity service area. We've moved beyond hard goods into science and medicine," says Sam Dowell, senior director, Worldwide Procurement.

Royal KPN

When Willem van Oppen took the reigns as CPO of the Netherlands-based Royal KPN Telecom in 2003, his first challenge was to tackle the deteriorating relationship between KPN and its outsourced IT provider. An initial assessment of the situation made it clear that changes needed to be made, because the relationship was purely cost-driven and lacked collaboration.

Van Oppen pulled together a steering committee of senior business and IT managers at KPN and arranged for “more intense and frequent discussions” with the senior management of its outsourced IT supplier, Atos Origin. The result was the creation of a Collaborative KPI program that has been awarded the ISM R. Gene Richter Award for Leadership and Innovation in Supply Management in the Process category.

Van Oppen’s newly organized procurement organization created the value-based relationship program, which involved:

- Developing a set of performance measures for the supplier that links performance directly to the service provided to the end-customer, even if the performance is influenced by others;
- Developing a two-way set of KPIs containing performance targets for the supplier and the buyer.

KPN now applies the KPIs to all its outsourced services. “We focus on supplier selection and management, and that enables the supplier to contribute to KPN’s market success,” van Oppen says.



Company: Royal KPN Telecom

Award Category: Process

Size: 12,632 million euros in revenue in 2007; 25,500 employees as of December 2007

Web Site: www.kpn.com

Company Description: KPN provides telephone, Internet and television services to customers through its fixed network in the Netherlands. It also provides business customers with a range of services including voice, Internet and data services, as well as full-managed outsource ICT solutions in the Netherlands and internationally.

Project Focus: Developing and implementing a KPI program to improve supplier relationships and improve end-customer service.

Key Successes: The program allows KPN to create successful partnerships with its suppliers and has resulted in significant improvements in the operational performance of its supplier as well as improving the supplier relationship in terms of trust and transparency.

Key Individual: Benito Shukrula, change manager, IT Department.

Masco Corporation

With a highly decentralized structure, Masco Corporation's supply management organization faced the challenge of extracting purchasing data from 38 disparate ERP systems in an effort to create a technology solution to measure and manage its spend.

The organization researched technology solutions and after evaluating 24 prospects, a cross-functional team "found the perfect solution," says Cheryl L.M. Phillips, director—corporate purchasing. Masco's supplier relationship management (SRM) tool has been awarded the ISM R. Gene Richter Award for Leadership and Innovation in Supply Management in the Technology category. Although SRM tools are not new, Masco is cited for taking the technology "to a new level" and implementing the project with an aggressive time schedule at multiple locations in a highly decentralized environment.

Some features of Masco's SRM tool are:

- More than \$10.8 billion in spend and 22 million transactions are in the tools.
- Spend is grouped by commodities using the UNSPSC (United Nations Standard Products and Services Code). It can be viewed by UNSPSC or commodity.
- Global spend is available by plant and supplier location.
- Data can be viewed in eight different hierarchies or 24 views, and displayed as a pie chart, bar chart or table.
- It is the only Masco global purchasing database.

The SRM tool now is integrated across 38 of Masco's divisions, representing 695 manufacturing and service locations. Phillips explains that visibility provided by the SRM tool allows the organization to "measure and manage globally at a highly strategic level."



Front Row (left to right):

Kim Dilts,
purchasing manager;
Cheryl L. M. Phillips-Thill,
director, Corporate
Purchasing;
Tom Mehlberg,
manager, IS support.

Second Row:

Suzanne Sleeper,
Web content administrator;
Angela Parker,
purchasing assistant.

Third Row:

Bill Strachan, associate
microcomputer analyst;
Jay Reynolds,
senior consultant.

Company: Masco Corporation

Award Category: Technology

Size: More than \$12.8 billion in sales in 2006; 57,000 employees

Web Site: www.masco.com

Company Description: Masco Corporation is one of the world's largest manufacturers of brand-name consumer products for the home improvement and new construction markets. It also is a leading provider of services that include the sale and installation of insulation and other building products.

Project Focus: Designing a supplier relationship management tool that would allow Masco to leverage its spend, share supplier information, improve payment terms, track commodities, evaluate and rate suppliers, and track spending globally.

Key Successes: As of September 2007, the data warehouse contains in excess of \$11 billion in spend, 119 million items, 22 million transactions and 29,000 suppliers.

Key Individuals: Masco Business Units Global Purchasing & IT Teams; Kimberly A. Dilts, purchasing manager; Tom Mehlberg, manager, IS support; and Jay Reynolds, senior consultant.



ISM SALUTES THE PREVIOUS WINNERS

Alltel Communications, Inc. (2006)

Award category: Technology

Size: \$7.9 billion in sales in 2006; 15,000 employees

Web site: www.alltel.com

Company description: Alltel Communications, Inc. operates the largest wireless network in the United States, and delivers voice and advanced data services nationwide to nearly 12 million customers.

Project focus: Designing a workflow tool that can assign work, track savings and project status, and provide visibility to the procurement group, business partners and executives throughout the company.

BP p.l.c. (2006+2007)

Award category: People

Size: More than \$300 billion in revenues; 102,900 employees

Web site: www.bp.com

Company description: BP is one of the world's largest energy companies. Its business is about finding, producing and marketing the natural energy resources on which the modern world depends.

Project focus: Investment in developing the skill sets of key members of the procurement community through expert on-the-job coaching, delivered in a programmatic way, with the objective of unlocking increasingly complex sources of value in support of the business strategies.

DaimlerChrysler (2006)

Award category:

Organization/Structure

Size: Revenues of EUR 149.8 billion (US\$177.4 billion) in 2005; 382,724 employees worldwide

Web site: www.daimlerchrysler.com

Company description: Automobile manufacturer of such brands as Chrysler, Dodge, Freightliner, Jeep, Maybach, Mercedes-Benz, Mitsubishi Fuso, Sterling and Western Star.

Project focus: The continuous consolidation of the DaimlerChrysler global nonproduction material procurement responsibility.

Fluor Hanford (2006)

Award category: Technology

Size: \$7.9 billion contract (1996-2006) with the U.S. Department of Energy; 3,500 employees

Web site: www.fluor.com/government

Company description: Fluor Hanford manages several major activities for the Department of Energy at the Hanford site in southeastern Washington state, including dismantling former nuclear processing facilities.

Project focus: Developing a Web-based search application that would give end users in the field a simple, quick, efficient tool for obtaining materials quickly and cost-effectively.

Johnson & Johnson

(2006+2007)

Award category: Process

Size: \$50.5 billion in revenue; 115,600 employees

Web site: www.jnj.com

Company description: Johnson & Johnson is the world's most comprehensive and broadly based manufacturer of healthcare products, as well as a provider of related services for consumers, pharmaceutical, medical devices and diagnostics markets. The more than 200 Johnson & Johnson operating companies sell products in 57 countries throughout the world.

Project focus: Developing and implementing a legal sourcing strategy.

KLA-Tencor (2006)

Award category: Process

Size: \$2 billion in revenues; 5,500 employees

Web site: www.kla-tencor.com

Company description: KLA-Tencor is a leading supplier of process control and yield management solutions for the semiconductor industry.

Project focus: Transforming the supply management organization from a support to a strategic function.

Rockwell Collins (2006)

Award category: Technology

Size: \$3.45 billion in sales; 17,000 employees

Web site: www.rockwell.com

Company description: Rockwell Collins is a leader in the design, production and support of communication and aviation electronics for commercial and government customers.

Project focus: Automating three areas of the procure-to-pay process: request for quote and quote receipt, total cost of ownership analysis and automated purchase orders.

2008 **AWARD WINNERS**
RICHTER SCHOLARS



**Christina
Andreadakis**



**Amanda B.
Braddock**



**Douglas A.
Burke**



**Christie
Hwang**



**Kyle
Lambert**



**Matthew
Shaw**



**Andrew
Spicher**

This year's group of outstanding students will leave school ready to contribute and compete in a global business arena.

Seven university students — recipients of 2008 R. Gene Richter Scholarships — are the latest to join an elite group of young professionals who have garnered the largest nationally recognized scholarship in the supply management field. The 2008 Richter scholars will be honored on May 5, 2008 at an awards dinner held during Institute for Supply Management™'s (ISM) 93rd Annual International Supply Management Conference and Educational Exhibit in St. Louis.

Now in its fifth year, the R. Gene Richter Scholarship Program attracts applicants from the nation's leading institutions offering supply management-related degree programs. Winners receive tuition assistance of up to \$5,000 and are also

offered the benefits of two mentoring programs: the Executive Mentoring Program, which pairs the student with an established executive; and the Junior Mentoring Program, which will pair each 2008 Richter scholar with a young professional from the Richter Scholar Class of 2006. Each year, a new class of Richter scholars are guests of ISM at its Annual Conference.

The R. Gene Richter Scholarship Program was established in memory of supply management innovator and leader R. Gene Richter. Richter is admired for elevating the profession to world-class stature. He led the supply organizations at The Black & Decker Corporation, Hewlett-Packard and International Business Machines (IBM). The 2008 Richter scholars are:

CHRISTINA ANDREADAKIS — Andreadakis is entering her senior year at Duquesne University. She will spend this summer as an intern with Under Armour's Rookie Program. Andreadakis is preparing to graduate in May 2009 with a bachelor of science degree in business administration with a concentration in supply chain management. "In supply chain, one is able to understand a product or service from the ground until it reaches its final destination,"

says Andreadakis, who is currently interning as a sourcing specialist at the University of Pittsburgh Medical Center. "Being able to purchase a piece of equipment that will eventually fix someone's heart is a thrilling idea to me. I call the distributor, who received the product from the manufacturer who made this life-changing product from a piece of metal or plastic, and in a few weeks, it will be part of a person's body to help them live better."

AMANDA B. BRADDOCK — Braddock is entering her senior year at Bowling Green State University. She is a student in the Honors Program and is preparing to graduate in June 2009 with a bachelor's degree in business with concentrations in supply chain management and international business. Braddock has completed an internship with Deere and Company, and is preparing to begin a second internship this summer with BP. Braddock is ready to

be part of the massive innovations occurring in the business world, most notably in the realm of sustainability and environmental conservation. "Technology is continually being used to revolutionize processes and enhance efficiency," she says. "It's an exciting time in the field of supply chain management and I want to contribute and be a part of that excitement."

DOUGLAS A. BURKE — Burke is entering his last semester at The Pennsylvania State University's Smeal College of Business. He is a student in the Schreyer Honors College and is preparing to graduate in December 2008 with a bachelor's degree in supply chain and information systems. Burke has completed internships with CSX Transportation and is currently engaged in an internship for the Global Transportation Organization with Johnson & Johnson. Burke says his lifelong interest in transportation is a perfect fit for a career in supply management. "Supply chain management is increasingly being acknowledged as an integral part of business, and successful supply chain operations are now leading to a competitive advantage in numerous industries," he says.

CHRISTIE HWANG — Hwang is entering her senior year at Michigan State University's Eli Broad College of Business. She is a student in the Honors College and her internship experiences include positions at Eaton Corporation and General Mills. Hwang is preparing to graduate in May 2009 with dual bachelor's degrees in supply chain management and communication. "As I will also be obtaining a B.A. in communication next school year, I firmly believe this will complement my supply chain management degree," Hwang says. "As we all have witnessed, communication is one of the leading problems within the supply chain realm

"This year marks the fifth anniversary of the R. Gene Richter Scholarship Award. To date, a total of 31 scholarships have been granted, recognizing students at leading universities across the country."

— **Nancy D. Richter**
President
R. Gene and Nancy D. Richter Foundation

today. One must be able to effectively and actively communicate in order to succeed within the field of supply chain management."

KYLE LAMBERT — Lambert is entering his senior year at Michigan State University's Eli Broad College of Business. Lambert is preparing to graduate in May 2009 with a bachelor's degree in supply chain management. He has completed an internship with Kraft Foods, Inc.'s global headquarters and will begin a second internship this summer at The Boeing Company. "When I chose supply chain management, I knew it was a field that would provide incessant opportunities to allow me to make things happen," Lambert says. "Now that I am more familiar with safety stocks, inventory carrying costs, triple bottom lines and economic order quantities. I am even more passionate about the field. Supply chain has become something that will allow me to do almost anything in business."

MATTHEW SHAW — Shaw is entering his senior year at Michigan State University's Eli Broad College of Business. He is a student in the Honors College. Shaw is preparing to graduate in May 2009 with a bachelor's degree in supply chain management with a specialization in international business. He has completed an internship in global sourcing with Therma-Tru Doors and is currently engaged in a second internship with Holcim Ltd., a global supplier of cement, concrete and aggregates. "After college, I plan on working in a sourcing team to experience the excitement of negotiations and the challenge of integrating suppliers with one's company," Shaw says. "I also would like to work in an international-gearred company that views the whole world as a viable market place."

ANDREW SPICHER — Spicher is entering his senior year at The Pennsylvania State University's Smeal College of Business. He is a student in the Schreyer Honors College and is preparing to graduate in May 2009 with a bachelor's degree in supply chain and information systems and a minor in German. Spicher's internship and co-op experiences include positions at Presidio Corporation and Johnson & Johnson. He is preparing for a third internship this summer with SC Johnson. Spicher asserts that supply management offers a perfect career path to apply his academic and real world experience. "The field and industry is still growing, which is great for high performers coming into the marketplace," he says. "The field of supply chain is so vast that career paths can lead anywhere, from procurement to quality, distribution to process excellence. There are truly endless possibilities."

For information on the R. Gene Richter Scholarship Program, visit www.richterfoundation.org.

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As the first and largest supply management institute in the world, the mission of the Institute for Supply Management™ (ISM) is to lead supply management. ISM defines supply management as the identification, acquisition, access, positioning and management of resources the organization needs or potentially needs in the attainment of its strategic objectives. By executing and extending its mission through education, research, standards of excellence, influence building and information dissemination — including the renowned monthly *ISM Report On Business*® — ISM continues to extend the global impact of supply management. ISM's membership base includes more than 40,000 supply management professionals in 75 countries. Supply management professionals are responsible for trillions of dollars in the purchases of products and services annually. ISM is a member of the International Federation of Purchasing and Supply Management (IFPSM).



R. Gene and Nancy D. Richter Foundation

The R. Gene Richter Scholarship Program was established in memory of supply management innovator and leader R. Gene Richter. Richter is admired for elevating the profession to world-class stature. He led the supply organizations at The Black & Decker Corporation, Hewlett-Packard and International Business Machines (IBM). The scholarship program is administered in cooperation with ISM.

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ISM R. GENE RICHTER AWARDS FOR LEADERSHIP AND INNOVATION IN SUPPLY MANAGEMENT



The quality of applications received by ISM for the ISM R. Gene Richter Awards for Leadership and Innovation in Supply Management is impressive. Once again, this year's winners present their winning strategies on Tuesday afternoon during the Annual Conference. Award winners are recognized for:

- Leadership and innovative practices
- Heightened recognition for supply management departments
- Approaches that optimize resources
- Supply management as a strategic contributor to the organization
- Real-world success stories that you can apply in your organization

Make it a point to attend at least one of these award-winning workshops during the 2008 ISM Annual International Conference.

(Tuesday 2:30 – 3:30 p.m., Sessions GI, GJ)

(Tuesday 3:50 – 4:50 p.m., Sessions HH, HI, HJ)

Previous winners represent a variety of organizations and include:

Alltel Wireless

Fluor-Hanford

KLA-Tencor

BP p.l.c

Johnson & Johnson

Rockwell Collins

DaimlerChrysler

*Winning teams will be wearing this pin
during the Conference.*



2009 Time Line

The Submission Process

ISM has developed a simple Web-enabled platform for you to use to submit an application. Your application will be submitted electronically to www.ism.ws/RichterAwards. You will be able to upload documents to support your application in standard formats.

Direct questions to Scott Sturzl, C.P.M., Vice President — Education at 800/888-6276, extension 3105 (or if calling from outside the United States, 480/752-6276, extension 3105), or by e-mail at richterawards@ism.ws.



Key Dates

Tuesday, July 1, 2008	Application period opens
Friday, September 19, 2008	Entry deadline
January 2009	Winners notified
May 3-6, 2009	Awards Dinner, ISM Annual International Supply Management Conference and Educational Exhibit in Charlotte, North Carolina
Tuesday, May 5, 2009	ISM Annual International Supply Management Conference and Educational Exhibit in Charlotte, North Carolina; Awards Dinner and Conference workshops presented by 2009 Awards Winners



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About the Trophy

Oversight Committee

The Oversight Committee is composed of senior supply executives and academics and is responsible for setting policy and selecting awards winners. ISM greatly acknowledges their commitment and dedication to the supply management profession.

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Andy Winterbottom

Chair, Awards Oversight Committee

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Vice President,
Global Supply Management
Advanced Micro Devices, Inc.

Joseph R. Carter, DBA, C.P.M.

Professor, Supply Chain Management
W. P. Carey School of Business
Arizona State University

Joseph L. Cavinato, Ph.D., C.P.M.

ISM Professor of Supply Management
Thunderbird School of Global Management,
and Director, A.T. Kearney Center for Strategic
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Vice President, Supply Chain Compliance,
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Director — Strategic Sourcing and Supply
Chain Strategy Research, CAPS Research,
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General Director, Global Supply Management
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Scott R. Sturzl, C.P.M.

ISM Vice President, Education
Staff Liaison

The unique trophy for the ISM R. Gene Richter Awards for Leadership and Innovation in Supply Management was designed exclusively for ISM by renowned artist C. R. "Randy" Buck. Buck is believed to be the only American marine artist who excels in three mediums. He designs a premier line of fine jewelry, he's a painter (the first artist to be awarded the cover of a *Congressional Report*) and he has won numerous awards for his figurative and game-fish sculptures. With the ocean as his inspirational muse, Buck creates fluid yet precise masterpieces that reflect his artistic soul. The trophy for the ISM R. Gene Richter Awards for Leadership and Innovation in Supply Management includes double arcs on a black granite base of patinized poured bronze. This unique sculpture captures the essence and prestige of the awards.

Gold

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SILVER

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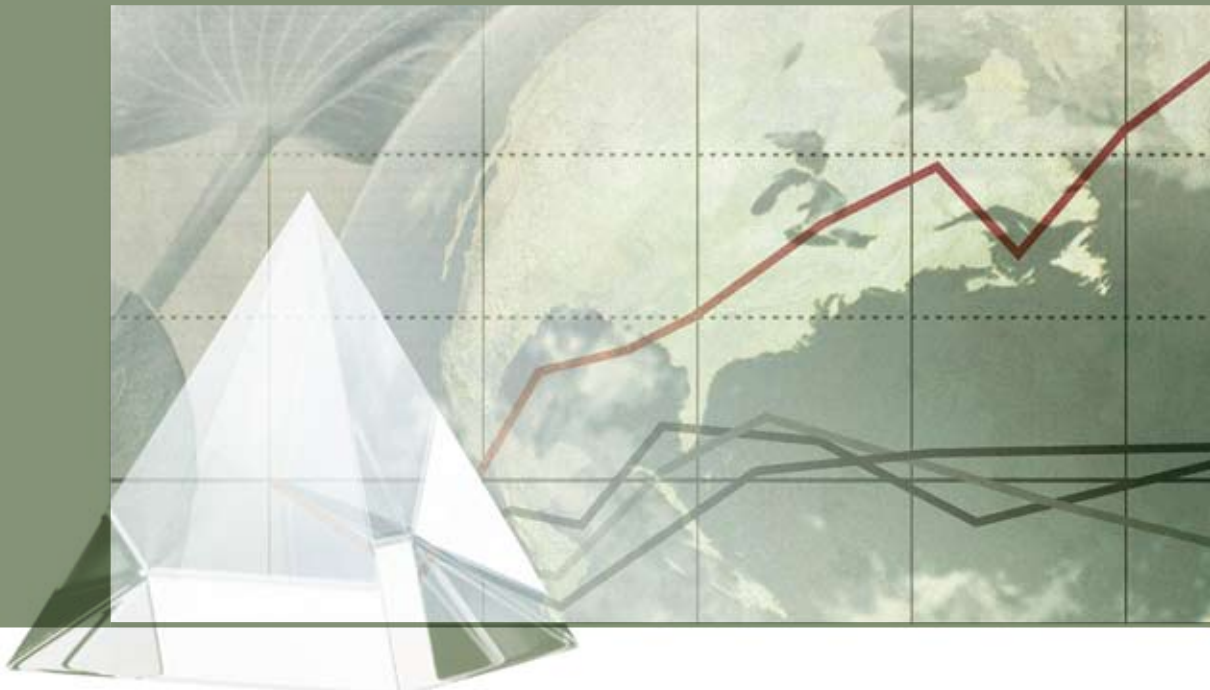
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