



# Innovative Supply Relationships: Creating Value for Services Procurement

## 11th Annual ISM Services Conference

*presented by*  
Institute for Supply Management™

December 2-3, 2010

Pointe Hilton Tapatio Cliffs Resort  
Phoenix, Arizona



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## Innovative Supply Relationships: Creating Value for Services Procurement

11th Annual ISM Services Conference

**December 2-3, 2010**

Pointe Hilton Tapatio Cliffs Resort • Phoenix, Arizona

Supply relationships and innovation through collaboration are the focal points of this year's 11th Annual ISM Services Conference. The program offers the experiences and accomplishments of some of the world's most visible organizations. Attending this event will give you a better understanding of how to build and maintain your strategic plan. This year's program highlights topics in relationship development, negotiating service contracts, creating value with supplier innovations in a tough economy, creative sourcing and more.

### Who Should Attend

This program is designed for supply management professionals responsible for not only acquiring services but also for developing the supply chain strategies that support the goals and objectives of the organization. Because supply managers in both the manufacturing and non-manufacturing arenas buy services, look for many diverse examples. Supply management professionals with a solid foundation will benefit from this program. Additionally, team leaders, project managers and members of cross-functional teams will profit from this experience. And, if you've attended previous ISM Services Conferences, this program is still for you. Each year we build on the previous year to include the latest innovations and ideas that can re-energize your services initiatives.

### Why You Should Attend

Realize a high ROI when you direct your supply management expertise to the world of purchasing services. Discover how to translate your knowledge about sourcing and buying tangible goods into the services arena, and reveal hidden savings in the process. Currently, only 27 percent of the purchase of services dollars is handled by supply management professionals (according to CAPS Research) – find out how to turn your coworkers into customers and streamline your service purchases. Explore the role of your stakeholders in the sourcing decision and optimize the process. This is an opportunity to learn from other practitioners and experts. Networking time is built into the schedule to allow you time to find out how your colleagues are leveraging the power of this multibillion-dollar proposition.



The saguaro cactus is found only in the Sonoran Desert, which includes about 120,000 square miles of California and Arizona. You won't find saguaros above an elevation of about 3,500 feet because they can't handle much frost.

**Earn 10.25 Continuing Education Hours (CEHs) for your participation.**

**Built-in value.** This program delivers six general sessions, six concurrent sessions and ample networking time.

# Agenda

Thursday, December 2, 2010

**7:00 – 7:50 a.m. Continental Breakfast  
& Supplier Showcase**

**7:50 – 8:15 a.m. Welcome &  
Opening Remarks**

**8:15 – 9:15 a.m. General Session**

## **TA Suppliers Saved My Bacon**

**JOHN MACLEAN**

Vice President of Purchasing and Transportation  
**American Airlines**, and *Purchasing* magazine's 2009 Supply  
Chain Manager of the Year

Over the past decade, the airline industry has had one major challenge after another: 9/11, SARS, skyrocketing fuel prices, H1N1 and hurricanes. Through all of these challenges, suppliers have time and again helped American Airlines stay solvent and restructure. Discover how suppliers are critical to the enterprise and how these relationships determine which customers they are willing to help — it's not all of their customers!

**9:15 – 9:30 a.m. Networking Break  
& Supplier Showcase**

**9:30 – 10:30 a.m. General Session**

## **TB Creative Services Sourcing at Disney: Engaged With Passion**

**STEVEN G. MILLER**

Senior Vice President of Strategic Sourcing and Procurement  
**The Walt Disney Company**

Engagement on multiple levels produces extra ordinary results. Discover how Disney professionals engage with each other and suppliers in order to source creative services that help make the Disney "difference." Steven Miller focuses on how the interactive process between critical players can produce effective results. Learn how you can incorporate many of these methods into your operation, improve your supplier relations and benefit from the results.

**10:30 – 11:00 a.m. Networking Break  
& Supplier Showcase**

**11:00 a.m. – 12:00 p.m. Concurrent Sessions**

## **TC Why India May Not Be the Outsourcing Destination of Choice**

**DALIP RAHEJA**

CEO  
**The Mpower Group, Inc.**

As a pioneer in providing outsourcing services for the last 20 years, India has historically been shortlisted as a low-cost country of choice for most outsourcing strategies. But the decision to outsource services to India is no longer the clear and easy choice it once was. This presentation analyzes the pros and cons of outsourcing in India and is a guide for both first-time outsourcers examining various low-cost countries and experienced outsourcers struggling with the decision to remain in India. Take away a clearer understanding of when outsourcing to India is the right decision, and when it's time to leave India and take your outsourcing needs elsewhere, including the United States.

## **TD Comprehensive Services Procurement**

**MARY FINALDI**

eEnablement Manager, Strategic Procurement Operations  
**Deloitte Services LP**

**DAN ASHTON**

Senior Solutions Marketing Manager, Services Procurement  
**Ariba**

Services procurement is often thought of as just contingent labor, and while it is a large category, it's just the tip of the iceberg. Explore the optimization of services spend in areas such as consulting, print and marketing services. Mary Finaldi and Dan Ashton detail their experiences and best practices around a holistic approach that includes temporary labor, IT consulting/contractors and real estate services.

**12:00 – 1:15 p.m. Networking Lunch  
& Supplier Showcase**

## **Are you maximizing your services spend?**

- Temporary labor
- Human capital
- Contract labor
- Utility services
- Healthcare
- Benefits administration
- Insurance brokerage services
- Travel
- Waste management
- Advertising
- Construction
- Business consultants
- Telecommunications
- Janitorial
- Business services
- Landscaping
- Legal
- Consulting
- Relocation
- Accounting or financial services
- Information technology
- Engineering
- Marketing
- Delivery and messenger services
- Training
- Outsourcing



There are more than 300 golf courses in Arizona.

**1:15 – 2:30 p.m. General Session**

**TE Collaborative Relationship Development With Strategic Suppliers**

**GRACE PUMA**  
Senior Vice President of Strategic Sourcing and Chief Purchasing Officer  
**United Airlines**

Hear how transformation and continued savings, even during the economic pinch of the past few years, has been achieved in part through collaborative relationship development with strategic suppliers at United Airlines. With a standard sourcing process companywide through category management teams focused on driving the lowest total cost of ownership, collaboration with suppliers has helped make the airline even more successful. Hear examples of how the airline collaborates with suppliers in services spend areas and how it manages various strategic supplier relationships.

**2:30 – 3:00 p.m. Networking Break & Supplier Showcase**

**3:00 – 4:00 p.m. Concurrent Sessions**

**TF Green Sourcing to Savings and Sustainability**

**JAMES V. KELLY, C.P.M.**  
CEO  
**JVKellyGroup, Inc.**  
**MARVIN R. MOTLEY**  
Director, Strategic Sourcing  
**Sprint Nextel Corporation**

Over the past few years, sustainability has taken center stage for many sourcing professionals as they were tasked with reducing both their carbon footprint and their costs. With experience and continued advancements in regulations and sustainable products and services, the market has changed and improved. In this session, Marvin Motley, director of sourcing for Sprint Nextel, will discuss the roadmap Sprint has designed to meet its targets and ways to measure the results of sustainability programs. Additionally, Jim Kelly, CEO of JVKellyGroup, Inc., will look at changes in the sustainability industry from regulations and requirements to supplier certification methodologies, as well as best practices in sustainable sourcing.

**TG Procurement Is From Mars, Marketing Is From Venus**

**SCOTT BUCHANAN**  
Vice President, Global Indirects, Strategic Supply Management  
**PepsiCo, Inc.**

Learn how the PepsiCo procurement organization navigated through one of the most celebrated marketing cultures in

the industry and through the journey to define a new value model in advertising and marketing. PepsiCo shares its procurement case study and how a new framework and approach have increased marketing value, instituted process improvements and harnessed the leverage and scale of PepsiCo's advertising clout.

**4:00 – 4:15 p.m. Networking Break & Supplier Showcase**

**4:15 – 5:15 p.m. General Session**

**TH Do/Buy Process for Rolls-Royce When Determining to Insource or Outsource Services**

**STACEY ZEISEL**  
Global Purchasing Executive of Indirect Shared Services  
**Rolls-Royce**

Indirect purchasing is often faced with assisting other departments in Rolls-Royce with the million-dollar question: "Should we continue to insource a specific service or consider outsourcing?" This session shares a step-by-step process that Rolls-Royce uses to help both purchasing and the services departments analytically determine the risk and feasibility of outsourcing services. Specific questions, a flow chart and scoring are shared to show how the decision is made.

**5:15 – 7:00 p.m. Networking Reception & Supplier Showcase**

Friday, December 3, 2010

**7:00 – 7:50 a.m. Continental Breakfast & Supplier Showcase**

**7:50 – 8:00 a.m. Opening Remarks**

**8:00 – 9:15 a.m. General Session**

**UA The Power of Six Sigma in Procurement**

**DEBORAH K. BEAVIN, C.P.M.,**  
Chief Procurement Officer  
**Humana Inc.**

The ultimate goal of Six Sigma is to use a systematic approach of information and statistical analysis to anticipate and prevent problems that may reduce operational effectiveness. Join Deborah Beavin as she highlights the application of Six Sigma processes in the work of procurement. Be sure to attend this session and learn methods to drive sustainable process improvement while targeting the elimination of non-value-added work.

**9:15 – 9:30 a.m. Networking Break**

**On-Site Registration Hours**

Wednesday  
December 1, 2010  
4:00 – 6:00 p.m.

Thursday,  
December 2, 2010  
6:30 a.m. – 4:30 p.m.

Friday  
December 3, 2010  
7:00 – 11:00 a.m.

## 9:30 – 10:30 a.m. Concurrent Sessions

### UB Negotiating Small Parcel Shipment Rates

**MICHAEL ERICKSON**  
President & CEO  
AFMS

Attend this informative session on how to negotiate, manage and monitor your company's carrier contracts. Learn how UPS, FedEx, DHL and others in the industry negotiate and discount their prices and services. Find out how the carrier commissions structures works and how that affects the negotiation process. Finally, learn the behind-the-scenes process and how to achieve steeper discounts with the right negotiation strategies. Most companies fail to obtain the rates they deserve and don't maximize their savings. Learning some of AFMS' negotiation strategies and gaining some inside knowledge of the carriers discounting policies will help your company receive better discounts.

### UC Service Contracts: Why is Market Rate a Bad Market?

**CLARK TERRILL, C.P.M.**  
Director, Purchasing  
Live Nation Inc.

Service providers quote by billable hour rate, flat rate, market rate, budget rate or some other rate. What is the right rate? How can we better negotiate a service and its pricing?

This session introduces a price analysis methodology and a negotiation strategy on negotiating service contracts. The presentation focuses on negotiating service contracts through a methodology to process and identify specific price components; and, to identify a strategy to negotiate each of the price components.

## 10:30 – 10:45 a.m. Networking Break

## 10:45 – 11:45 a.m. General Session

### UD Performance, Value and Risk With Contingent Labor Operations

**BRIAN CLANCY**  
Executive Director, Professional Services Firm-wide Sourcing  
Morgan Stanley

Morgan Stanley engages with more than 17,000 contingent workers globally. This extensive and complex workforce is managed by a centralized group that drives direction and sets policy for the firm's contingent workers worldwide and operates a 24/7 control center for the contingent population. Brian Clancy's presentation focuses on creating repeatable solutions, transparency, gaining visibility with suppliers, the critical role of advisory services and choosing the mode that's right for your operation.

## 11:45 a.m. – 12:00 p.m. Closing Remarks

### Registration Information

**Accommodations** — Please make your own hotel reservations. All sessions are at the Pointe Hilton Tapatio Cliffs Resort, 11111 N. 7th St., Phoenix, AZ 85020. For reservations, call +1 602/866-7500. Be sure to mention ISM (use group code IVG) to receive the special room rate of US\$139 single/double with high-speed Internet included. The ISM rate, which includes the resort fee, is offered until November 8, 2010; rooms sell out quickly, so be sure to reserve your room early. To reserve your room online, go to [www.ism.ws/2264](http://www.ism.ws/2264). For more information, go to [www.ism.ws](http://www.ism.ws), and select Conferences.

#### Pointe Hilton Tapatio Cliffs Resort offers:

Nestled into the rugged terrain of the Phoenix North Mountains in Arizona and about 20 minutes from the Phoenix Sky Harbor International Airport, the Pointe Hilton Tapatio Cliffs Resort is a 584 all-suite resort property offering luxurious services and activities. The accommodations are spacious two-room suites with one king bed or two queens, and promise a relaxing visit to the Valley of the Sun. Each suite offers the Hilton Serenity Bed & Bath™ collection, as well as high-tech and high-touch guest room features including the Hilton Alarm Clock Radio with MP3 capabilities. For more information, visit [www.pointehilton.com/tapatocliffsresort.com](http://www.pointehilton.com/tapatocliffsresort.com).

### Discounts

**Membership Discount** — Regular members of ISM receive a US\$200 discount on the nonmember program registration fee. If you're not already a member of ISM, send in a completed

membership application with your payment and receive the member discount, or visit our website at [www.ism.ws](http://www.ism.ws) and become a member online.

**Pre-Conference Savings** — Register for the Services Conference and for "Strategic Services Procurement: Applying Strategic Sourcing Principles to the Procurement of Services" #4457, and save an additional US\$100 on your registration fee.

**Team Discount** — There is a US\$100 discount (per person) for organizations registering three or more people for this program. All registrations must be placed at the same time. (This discount offer is not available online.)

**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 continual professional education. Consult your tax adviser 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 US\$100 cancellation charge. No refunds once the program has begun. Registrants who fail to attend a program are not entitled to a refund. ISM must be contacted within 30 days of the program completion in order for a refund to be considered. 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.

**Ground Transportation** — You are responsible for your own ground transportation.



South Mountain Preserve, in Phoenix, is the largest municipal park in the country.

# Sponsors



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**Connolly** is the contract compliance audit expert that helps lower their client's total cost of ownership and maximize revenue by auditing to identify non-compliance, recover money and recommend process improvements; all while protecting critical business relationships. More than 120 of the world's best run companies trust Connolly to audit their contracts. Each year, Connolly audits over \$700 billion in spend and recovers hundreds of millions of dollars in overpaid and under-collected funds on behalf of their clients. Learn more at [www.connolly.com](http://www.connolly.com).



**IQNavigator** is the leading provider of services spend management software and managed services that enable global companies to gain visibility and control over a significant and strategic corporate spend category. With proven domain expertise and innovative technology solutions, IQNavigator helps turn complex services spend into a new source of value, competitive advantage and continuous bottom-line improvement. For more information, visit [www.IQNavigator.com](http://www.IQNavigator.com).



**JVKellyGroup, Inc.**, JVKellyGroup, Inc. provides cost reduction and risk mitigation solutions for some of the world's largest organizations. By offering an integrated set of analytics, sourcing services and technology, JVKellyGroup helps ensure that a company's spend is effectively analyzed, sourced, managed and monitored. To learn more, please visit: [www.jvkg.com](http://www.jvkg.com).



## Did you know...

Depending on the industry, between 30 percent to 80 percent of all purchasing is services-related?

*(Survey by CAPS Research)*

Imagine the benefits of an effective services spend!

### Supplier Showcase

#### Information Leads to Innovation

Take a break and visit our Supplier Showcase. Use this time to gain information — find out what's new and start building a path toward complete integration. Also, make sure you take part in Thursday evening's networking reception, where there is always a surprise.

#### Thursday, December 2, 2010

7:00 – 7:50 a.m.

10:30 – 11:00 a.m.

2:30 – 3:00 p.m.

5:15 – 7:00 p.m.

9:15 – 9:30 a.m.

12:00 – 1:15 p.m.

4:00 – 4:15 p.m.

# Registration

Innovative Supply Relationships: Creating Value for Services Procurement

## 11TH ANNUAL ISM SERVICES CONFERENCE

MEMBER FEE      NONMEMBER FEE  
**\$795** (USD)      \$995 (USD)

### PRE-CONFERENCE SEMINAR #4457

#### STRATEGIC SERVICES PROCUREMENT: APPLYING STRATEGIC SOURCING PRINCIPLES TO THE PROCUREMENT OF SERVICES

November 30–December 1, 2010 **\$1,395 Members**/\$1,695\* Nonmembers (USD). Save USD \$200 when you register 30 days or more prior to the program start date. Payment must be received at the time of registration in order to qualify for the early-bird discount.

**Pre-Conference Savings** — Register for the Services Conference and for “Strategic Services Procurement: Applying Strategic Sourcing Principles to the Procurement of Services” #4457, and save an additional US\$100 on your registration fee.

**Team Discount** — Save US\$100 per person when three or more individuals from an organization register for the conference.

### FOUR EASY WAYS TO REGISTER

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

**Fax:** Fax completed form with credit card information to +1 480/752-2299.

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

**Phone:** Call ISM Customer Service at 800/888-6276 or +1 480/752-6276, option 8, with your credit card information.

Check this box if you are also registering for the pre-conference seminar, **Strategic Services Procurement: Applying Strategic Sourcing Principles to the Procurement of Services #4457**, November 30–December 1, 2010

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

Please indicate any special needs that we can address to make your participation more enjoyable and informative (this includes any dietary or physical requirements).

Check here if you do not wish to be included on the exhibitors' mailing list.

This conference offers six general sessions and three concurrent sessions. Please place an X by your preferred concurrent workshop session:

### Thursday, December 2, 2010

**Concurrent Sessions — 11:00 a.m. – 12:00 p.m.** (select one)

\_\_\_\_\_ **TC** Why India May Not Be the Outsourcing Destination of Choice

\_\_\_\_\_ **TD** Comprehensive Services Procurement

**Concurrent Sessions — 3:00 – 4:00 p.m.** (select one)

\_\_\_\_\_ **TF** Green Sourcing to Savings and Sustainability

\_\_\_\_\_ **TG** Procurement is from Mars, Marketing is from Venus

### Friday, December 3, 2010

**Concurrent Sessions — 9:30 – 10:30 a.m.** (select one)

\_\_\_\_\_ **UB** Negotiating Small Parcel Shipment Rates

\_\_\_\_\_ **UC** Services Contracts: why is Market Rate a Bad Market

**The ISM Guarantee** — Satisfaction with all programs is guaranteed. If you are not satisfied, a refund or free program registration will be provided. (All ISM Cancellation and Refund Policies must be followed.)



## Innovative Supply Relationships: Creating Value for Services Procurement

11th Annual ISM Services Conference

December 2-3, 2010

Pointe Hilton Tapatio Cliffs Resort • Phoenix, Arizona

### Phoenix, Arizona

With an abundance of world-class resorts, championship golf courses, award-winning spas, fabulous shopping and exclusive art galleries, the Phoenix metropolitan area is a prime destination for travelers throughout the country and world. Known as the “Valley of the Sun,” Phoenix averages temperatures in the mid-70s Fahrenheit during the month of December. The Valley of the Sun is home to more than 3 million residents and is a thousand square miles in area. Neighboring Scottsdale has more than 600 restaurants ranging from Southwestern barbecue and South of the Border cuisine to Pacific Rim fare and everything in between. The climate makes outdoor activities such as desert Jeep tours and hot-air ballooning enjoyable year-round. Day trips to scenic Arizona destinations like the Grand Canyon and Sedona are an added benefit. For more information about other points of interest in the Valley of the Sun, visit [www.arizonaguide.com](http://www.arizonaguide.com).

### Professional Focus

**Increase your educational experience exponentially.**

*Strategic Services Procurement: Applying Strategic Sourcing Principles* provides a fresh look at the strategic nature of the supply function. The pre-conference seminar provides insights into current trends and opportunities for supply's involvement in service procurement, the application of strategic sourcing methods and technologies to the services spend and services supply base, and participant analysis and discussion of case studies to service spend not traditionally sourced through the purchasing function. Register for this pre-conference seminar and the Services Conference and save US\$100.

**Strategic Services Procurement: Applying Strategic Sourcing Principles to the Procurement of Service**

**Seminar #4457**

November 30-December 1, 2010

Phoenix, Arizona