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SUMMER 2015

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Your global network of procurement professionals

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IFPSM launches new website: visit www.ifpsm.org

 John Sculley, ex CEO of Apple, to speak at IFPSM World Summit in Barcelona

CEO Report

As I write this report it is exactly 109 days until the IFPSM World Summit commences in Barcelona.

17th -19th September 2015.

The Board of IFPSM and AERCE have developed an exciting and unique programme for the conference and the conference theme is "Unlocking the Potential of Association".

The key note speakers will present on the mega trends in the world and the profession and illustrate how associations need to develop their value proposition to meet these new challenges and opportunities.

The programme continues to be developed and I am thrilled to announce that the most recent speaker to confirm his attendance is John Sculley who was the **President of Pepsi Cola** before joining **Apple** as their CEO, a post he held for 10 years. John is an acknowledged world expert in marketing and we are delighted that he will present to the IFPSM community at the World Summit.

Running in parallel to the key note presentations there is a full workshop programme which includes topics delivered by the Danish Institute for Human Rights and Fundacio La Caiza. The workshop programme will include subjects such as Developing an Education programme, a case study on how to build a diverse and inclusive membership and developing an associations value proposition.

Since our February update newsletter IFPSM has developed in many ways.

We appointed Chris Gallagher as the first IFPSM Executive Consultant and he has been incredibly active in developing our value proposition. One of the exciting innovations that Chris has developed is an opportunity for IFPSM to engage with the 6 major USA Associations, this will culminate in an Americas regional summit led by Cheryl Paradowski, the IFPSM President Elect, in August when these leading associations come together to discuss how we can support the development of the profession and support the community.

UPCOMING EVENTS

Asia Pacific Meeting 24 June 2015 Singapore

IFPSM Summer School 6-10 July 2015 Netherlands

IFPSM Board Meeting 16 September 2015 Barcelona, Spain

IFPSM Council Meeting 17 September 2015 Barcelona, Spain

IFPSM Asia Pacific Meeting 17 September 2015 Barcelona, Spain

IFPSM European Meeting 17 September 2015 Barcelona, Spain

IFPSM Americas Meeting 17 September 2015 Barcelona, Spain

IFPSM World Summit 2015 18-19 September 2015 Barcelona, Spain

IFPSMAsia Pacific Meeting 27 November 2015 Taipei, Taiwan

IFPSM World Summit 2017 Taiwan

IFPSM Board Meeeting 9 March 2016 Vancouver, Canada

Association Listing

AACAM	Argonting	
ABCAL	Argentina	
AERCE	Belgium Spain	
APICS	USA	
APICS	Portugal	
APCADEC	Mexico	
BME	Germany	
BMOE	Austria	
CAP	Croatia	
САРР	Trinidad & Tobago	
CBEC	Brazil	
CFLP	China	
CIPSMN	Nigeria	
DILF	Denmark	
Forum Einkauf	Austria	
FZUP	Russia	
HALPIM	Hungary	
HPI	Greece	
ΙΑΡΙ	Indonesia	
IIMM	India	
IIPMM	Ireland	
IPLMA	Israel	
IPPU	Uganda	
IPSHK	Hong Kong	
ISMM	Sri Lanka	
JMMA	Japan	
KISM	Kenya	
LOGY	Finland	
MIPMM	Malaysia	
MIPS	Malawi	
NEVI	Netherlands	
NIMA	Norway	
PASIA	Philippines	
PISM	Philippines	
procure.ch	Switzerland	
PROLOG	Estonia	
PSCMT	Thailand	
PSML	Poland	
SAPPP	Serbia	
SCMA	Canada	
SILF	Sweden	
SIMM	Singapore	
SMIT	Taiwan	
VIB	Belgium	
ZNS	Slovenia	
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IFPSM has also achieved success:

- in receiving our first Global Standard application from a Chinese University and also our first affiliate membership submission also from China.
- A new organisation has joined our Global Standard role of Honour: The Procurement Academy which is based in Belgium.
- IFPSM has also re-engaged with IPSERA at their annual conference and now has a clear plan to build on this initiative.
- We have delivered a refresh of our brand to ensure that it remains relevant and reflects your Federation's ongoing development. We have also launched our new website and in doing so have combined the IFPSM and Global Standard sites into a "one stop shop" for the profession.
- A project team lead by your President, Soren Vammen, is developing a new accreditation standard that will replace the Certificate of Competence and is designed for members who deliver training and educational courses/programmes for operational, supervisory level practitioners. The new standard will be launched at the World Summit and applications can be received from the end of September. Perhaps your association would like to be the first to be assessed against this new standard?

As with all member organisations we continue to look at developing new income streams while ensuring our brand values are protected. All senior delegates will shortly receive an email from myself asking for your support for a major sponsorship opportunity with a global organisation which can move us significantly into a new era for the Federation. This sponsorship will allow us to deliver added value to you our members and to secure it I need your commitment and support which I know will be readily forthcoming.

You will remember that we are now producing more editions of the newsletter by introducing an update in between each edition of the main communication providing more opportunity for members to submit articles of interest to colleagues across our network.

CALL TO ACTION: I would welcome content from you which we can use in future newsletters, where you can share new products and services to the membership at large through the newsletter. This provides you with a marketing opportunity and I also look forward to receiving your submissions in the near future.

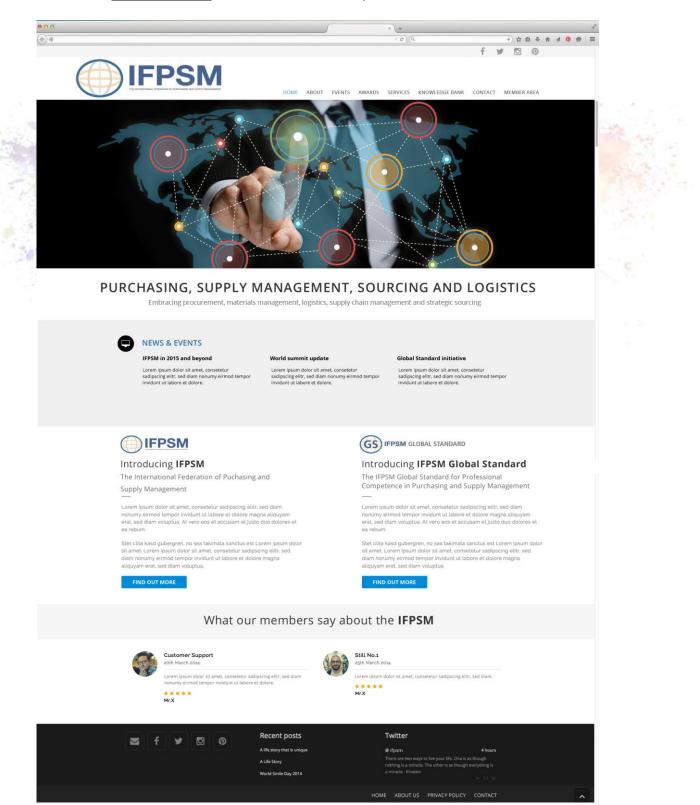
I look forward to welcoming you all to the IFPSM World Summit in Barcelona in September and thank you for your ongoing commitment and support to your Federation.

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Malcolm Youngson CEO

IFPSM LAUNCHES NEW UPDATED WEBSITE

Not only has IFPSM created a new modern logo, it has also created a new website which will provide more information to our members. Under the member only area you will be able to access the minutes of the Council meetings and other related information. There is a new regional page for each of the regions so they can populate it with their meeting dates, minutes, agenda and other information which the members think they will find useful. We also have a partners page so you can find out who IFPSM is partnering with and what the benefits are. We hope you will visit the new website: www.ifpsm.org and let us know what you think.



PROCUREMENT ACADEMY, BELGIUM ACHIEVES THE GLOBAL STANDARD

PROCUREMENT ACADEMY

Congratulations to Procurement Academy for achieving the highly prized Global Standard Award. The certificate was presented to Raf Verheyden by Cheryl Paradowski, the IFPSM President Elect at the ISM Conference in Phoenix at the beginning of May.

Procurement Academy (www.procurementacademy.com) is an innovative provider of procurement training for global corporations. It aims to deliver high-quality and inspiring competence development programs with a high return on investment and measurable business results. Starting from a custom competence model, in line with the customer's procurement strategy, the company offers learning plans that allow procurement staff to be trained specifically for what is required for their role.

The basis of Procurement Academy's offering is second generation e-learning, covering the entire training needs of the procurement department. The uniquely designed, scenario-



based E-learning delivers a learning effect that matches that of classroom training. The comprehensive course catalog of E-learning modules and interactive exercises covers the needs of operational, tactical and strategic procurement. Additional course material is being developed continuously to keep up with the rapidly changing requirements of the procurement function. Where appropriate, the learning plans can be blended with webinars and instructor-led training, delivered globally and in 9 languages.

For learners seeking certification, Procurement Academy can propose several carefully balanced programs, meeting the personal development needs of both junior and more senior procurement professionals.

Headquartered in Belgium, Procurement Academy operates on a global scale, with sales offices in Germany, Switzerland, New York and Singapore and a learner support team based in Mauritius. With close to 100 custom academies and learners in more than 100 countries, Procurement Academy is the preferred partner for corporate procurement training for blue chip companies worldwide.

Click here to read more about Procurement Academy's achievements.

CHRIS *GALLAGH*ER MANAGING DIRECTOR CGA (CHRIS GALLAGHER ASSOCIATES) JOINS IFPSM AS AN EXECUTIVE CONSULTANT

Chris Gallagher is the founder and MD of CGA, a Procurement Portfolio Consultancy. In addition to consultancy the organization offers; learning and development programmes; International development work; strategic planning services and general business development interventions, across procurement and supply chain management.

Prior to CGA, Chris's last post was International Strategic Development Director at the Chartered Institute of Procurement and Supply (CIPS), a post that included Directorships of CIPS' subsidiary businesses in Hong Kong, South Africa, Middle East and North Africa and Managing Director of CIPS Australasia.



Chris spent 14 years as a Director of CIPS during that time he covered Membership, Education, Business Solutions and

Commercial Operations on behalf of the Institute. He has lived and worked in Europe, Middle East, Australia and Asia Pacific.

Chris started his career in retail working in multiple, department store and mail order businesses over a 20 year period. During that time he held senior positions in buying, merchandising, operations, procurement and supply chain.

In addition to his professional accreditations, Chris holds a Certificate and Diploma in Management Studies and an MBA from the University of Sussex.

Chris is thrilled at the opportunity to help the International Federation of Procurement and Supply develop and expand in an exciting period of its history. Chris joins IFPSM as their Executive Consultant with a focus on Business Development, Consultancy Services for members and supporting the Global Standard roll out. Chris said 'I have always believed that a critical prerequisite for Procurement excellence is collaboration, IFPSM is a perfect example of an effective overarching body that promotes this and in doing so makes it happen!'

IFPSM SUMMER SCHOOL – 6-10 JULY 2015

NEVI and the University of Twente are organising the 20th IFPSM Summer School. The IFPSM Summer School is organised with the aim to provide an opportunity for intensive interaction of PhD students from all around the world with some of the leading professors in the field. In order to achieve this, the number of participants is limited (usually around 15) and a specific setting is chosen: joined housing with lots of interaction possibilities.

This year the IFPSM Summer School will be held from the 6 July - 10 July at the University of Twente, Enschede, Netherlands.

The Summer School is a combination of:

 Lectures by the professors: providing an overview of specific purchasing and supply topics and the state of the art on that subject;



- Presentations by the students: presenting their research and receiving feedback;
- Joint work on a practical problem: teams of students from different backgrounds are given the task of answering a practical question and presenting their work at the end of the week to the CPO that posed the question.

Participation in the Summer School is most beneficial for students about halfway through their thesis work. Candidates are:

- Enrolled PhD, postgraduate students of an accredited institute of higher education;
- · In the phase of writing a dissertation on purchasing or a closely related areas
- Fluent in English.

Click here for more information about the IFPSM Summer School: http://ifpsm.org/wp-content/uploads/2015/03/Flyer-IFPSM-Summer-School-2015.pdf

We would encourage you to contact the universities in your country about this opportunity for PhD students. It is an excellent occasion for international contacts in the scientific purchasing community and is beneficiary for the purchasing associations.

KISM'S 10TH EDITION OF THEIR NEWSLETTER

Click here to read KISM's 10th Edition of their Newsletter:

http://ifpsm.org/wp-content/uploads/2015/04/KISM-March-2015.pdf

IFPSM WORLD SUMMIT 2015 – BARCELONA

Don't forget to register for the IFPSM World Summit which is being held in Barcelona on 18/19 September as places are limited. The IFPSM Council meeting is being held on Thursday, 17 September followed by the Regional meetings in the afternoon. We have a very exciting agenda with some truly international speakers including John Sculley, the ex CEO of Apple (read his impressive biography below).

We are giving you the opportunity to experience a slice of history of Barcelona to kick the World Summit off. We have arranged a walking tour on Thursday evening, 17 September which will take in some of Gaudi's famous buildings and which will finish in a bar with a drink and tapas underneath one of his buildings. The World Summit dinner is taking place in an old traditional Spanish restaurant where we will enjoy a glass of wine on arrival and then watch the sunset over Barcelona before dinner which will be followed by an exhibition of Flamenco dancing.

The World Summit has some very high profile speakers from around the world who will speak on a range of topics which you will find of great interest. There will be plenty of opportunity to network with specially themed tables at lunchtime to discuss matters that are pertinent to you or your association.

Please register on line and also reserve your accommodation by 1 July 2015 by following the link: http://ifpsm.org/index.php/news/ifpsm-world-summit-2015-1819-september-in-barcelona-spain/

JOHN SCULLEY, EX CEO OF APPLE AND PEPSICO

Chairman / Mentor

One of America's best-known business leaders, John has a long list of notable accomplishments in the areas of telecommunications, advanced technology, financial services, healthcare, consumer marketing, and internet and outsourcing services. He was the youngest Vice President at PepsiCo before taking the helm as its President. John is recognized worldwide as an expert in marketing, in part because of his successes at PepsiCo, notably his introduction of the Pepsi Challenge. He later became CEO at Apple, increasing sales from \$800 million to \$8 billion under his leadership. Along with sharing his extensive knowledge with corporate executives and consulting for startups, John has partnered with Joe Musacchio in various deals for companies like Inphonics, Real McCoy Rum, MD Live, nextSource, and PeopleTicker.



WHAT IS YOUR LARGEST CATEGORY OF INDIRECT SPEND?

Most CPOs, would tell you that contingent labor would be either number one or two. Up until recently, companies focused on negotiating this category in a traditional fashion, such as volume discounts, preferred suppliers, or RFPs. For the most part, visibility into supplier mark ups, statutory costs, benefits, and worker pay rate was limited.



People Ticker

The global standard for real-time labor market rates and analytics.

However, we are beginning to see a new trend of procurement tools that utilize big data analytics to de-mystify the procurement of contingent labor. These tools provide transparency into actual labor rates and costs involved in mark up. Procurement professionals will have access to data to help them make more informed decisions and better manage their largest spend category.

To that end, we have selected PeopleTicker as our newest partner and a procurement best practice for contingent labor.

<u>PeopleTicker</u> provides labor rates and consulting services for the procurement of contingent and direct workers in 160 countries around the globe. Their consulting staff members each have over 30 years experience in recruiting, staffing, and human resources.

Procurement, HR and SOW Project leaders using PeopleTicker are empowered with knowledge to take control of negotiations and effectively manage their labor spend. PeopleTicker provides clients with instant access to salary and labor market data, benchmarks, and analysis for hiring permanent and contract workers in any industry, anywhere in the world allowing procurement professionals to turn data-driven insights into actionable results.

PeopleTicker is interested in partnering with member associations in a profit share relationship providing a new revenue source to the association and special incentives for association members.

Any relationship that is developed between your association and PeopleTicker will be fully independent of IFPSM. IFPSM will not receive any commercial benefit.

JNLOCKING THE POTENTIAL OF ASSOCIATION

Over the next few months, I will be reaching out to each of you to introduce PeopleTicker. They will share information regarding market dynamics in the contingent labor market, procurement best practices, and details of the partnership opportunity for our member associations.

You will also have the opportunity to meet <u>PeopleTicker's CEO, Joe Musacchio</u> at our conference in Barcelona, along with John Sculley, Chairman.

<u>PeopleTicker</u> is the global standard for neutral market rate data and analytics. Strengthened by over 15 years of wage research - our <u>data management and analytics</u> are unmatched in the industry today.

Accurate rates in real-time

PeopleTicker delivers vendor neutral rates in real-time, giving you the competitive advantage. With instant access to current rates, as well as expert analysis of market conditions, you'll be supported by live business intelligence that delivers immediate results.

Significant time and cost savings

Applying our reliably accurate and up-to-the-minute benchmarks helps any company generate measurable benefits to the bottom line. Whether it's hard savings on labor costs, avoiding time-and-money

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draining inefficiencies, or renegotiating vendor markups, PeopleTicker produces real immediate value for your business.

PeopleTicker's software and <u>consulting practice</u> is designed to help procurement professionals 1) understand candidate pay rate, which enables better sourcing, 2) effectively negotiate mark up with suppliers by having access to all costs relative to bill rate, and 3) benchmark their suppliers and/or Managed Service Provider.

For additional information about partnership opportunities, please contact Mike Zimmer, <u>mzimmer@peopleticker.com</u>, 01-561-278-8383.

EVOLUTION OF SUPPLY CHAIN ECOSYSTEMS

MARK MILLAR

THE NEW ERA OF GLOBAL SUPPLY CHAIN ECOSYSTEMS

Supply Chains are the arteries of today's globalised economy – they enable the international trade flows that empower global commerce. Today's Supply Chains are evolving to reflect the increased complexity of world trade – a highly competitive, super connected, fast changing and increasingly volatile global environment, which is progressively more difficult to predict. Supply Chain Management has now become an essential topic across all spheres of management and a strategic agenda item in every boardroom.

Twenty-first-century supply chains have evolved into world-wide inter-connected supply-and-demand networks with profound interdependencies - comprising vastly more complex operations and with greater exposure to the vulnerabilities of our uncertain world. This is leading to greater use of collaborative partnerships, frequently involving outsourcing and off-shoring, creating elongated networks of organisations comprising multiple stakeholders, which require more sophisticated management, control and communication than ever before. Consequently, modern supply chains have become complex, multi-layered and inter-connected distribution systems that enable companies and countries to trade more effectively and efficiently.

Developed by innovative, competitive and ambitious practitioners and business managers, these ecosystems have become the essential enablers of international cargo flows around the world, bringing economic and social benefits, and leading to a steady improvement in the standard of living for millions.

Confirming how these networks enable business in an increasingly connected world, the Financial Times' (FT) lexicon describes how "businesses operate in a broader network of related businesses offering particular products or services - this is known as a business ecosystem". They further define this business ecosystem as "a network of interlinked companies, such as suppliers and distributors, who interact with each other, primarily complementing or supplying key components of the value propositions within their products or services".

From the supply chain perspective, Cranfield's Dr Martin Christopher adopts an end-to-end perspective of the flows of product and accompanying information from the source of raw materials to delivery to the end customer - and sometimes beyond - to develop a definition of supply chain as: "the network of organizations that are involved, through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services in the hands of the ultimate consumer".

This notion of networks is particularly important, with Christopher reinforcing the key message that modern supply chains are no longer simply linear chains or processes, "they are complex networks - the products and information flows travel within and between nodes in a variety of networks that link organisations, industries and economies".

Supporting the concept that your supply chain drives competitive advantage for your business, the FT lexicon explains how "Ecosystems also create strong barriers to entry for new competition, as potential entrants not only

have to duplicate or better the core product, but they also have to compete against the entire system of independent complementors and suppliers that form the network".

The linear concept of a chain is therefore no longer adequate to describe today's complex international networks of suppliers, partners, regulators and customers – together collaborating to ensure the efficient, effective and competitive movement of products, services, information and funds around the world.

These extended multi stakeholder networks have continued to evolve as supply chains have become increasingly strategic, complex and global - we are firmly in the era of Global Supply Chain Ecosystems.

By-line: **M**ark Millar is the author of Global Supply Chain Ecosystems - commissioned and published by Kogan Page - in which he presents detailed and practical insights that help companies capitalise on market opportunities, overcome supply chain challenges and make better informed business decisions. Acknowledged as an engaging presenter who delivers a memorable impact, Mark Millar has completed over 350 speaking engagements at corporate events, client functions and industry conferences across 23 countries. A Visiting Lecturer at Hong Kong Polytechnic University, Mark is recognised in the 'China Supply Chain Top 20', as one of 'Asia's Top 50 Influencers in Supply Chain and Logistics' and in the 2014 USA listing of 'Top Pros-to-Know in Supply Chain'.

MORGAN SMITH LIMITED (MSL) Initiative update



Morgan Smith would like to thank all the associations who responded to the survey that was highlighted in the last newsletter and they are now compiling the report which will be circulated to those associations over the next few weeks.

Morgan Smith greatly appreciate your support and responses received.

Please click here to access the link to Rob Morgan's article "Procurement the Organisation Transformers"

IFPSM World Summit

CALL FOR PAPERS PROPOSAL 18 19 September 2015

August 3-5, 2016, in Bali, Indonesia

Topics: Procurement reforms, e-procurement, theories, best practices, etc. (visit <u>http://ippc7.com/</u>)

This provides an opportunity for your practitioner members to submit papers to IPPC.7.com as set out below.

Key Deadlines:

- May 5 August 30, 2005: Paper Proposal Submission: Please submit an abstract of up to 120 words (including paper title) to ippc7.com.
- September 20, 2015: Notification of acceptance of paper proposals.
- March 31, 2016: Closing date for full paper submissions.
- April 30, 2016: Notification of full paper acceptances.

Publications

Submitted papers are peer-reviewed and selected for publications in the Journal of Public Procurement, and a book.

Best Manuscript Awards:

There will be three best manuscript awards (sponsored by Pracademics Press) that will be presented at the Conference:

- 1st prize: US\$3,000.00;

- 2nd prize: US\$2,000.00; and

- 3rd prize: US\$1,000.00.

If you need additional information, please feel free to contact: thai@fau.edu

IFPSM GUIDELINES TO IDENTIFY AN "EXPERT SPEAKER"

At the Oslo Board meeting in March 2015 is was agreed that as a Federation we should look to maintain a database of individuals who within members associations can be contacted when IFPSM is approached to recommend a speaker to present at an associations conference.

You will have noted that within the annual pro-forma procedure we have asked members to identify the person within their organisations who can be approached when we receive such an enquiry.

In addition to creating and maintaining this database, it was also determined that a definition should be produced that outlines what an "expert " speaker competencies actually are.

An expert is someone widely recognised as a reliable source of technique or skill whose faculty for judging or deciding rightly, justly, or wisely is accorded authority and status by peers or the public in a specific well-distinguished domain.

An expert, more generally, is a person with extensive knowledge or ability based on research, experience, or occupation and in a particular area of study.

Experts are called in for advice on their respective subject, but they do not always agree on the particulars of a field of study. An expert can be believed, by virtue of credential, training, education, profession, publication or experience, to have special knowledge of a subject beyond that of the average person, sufficient that others may officially (and legally) rely upon the individual's opinion.

Experts have a prolonged or intense experience through practice and education in a particular field. In specific fields, the definition of expert is well established by consensus and therefore it is not always necessary for individuals to have a professional or academic qualification for them to be accepted as an expert.

The dictionary description of an expert is: *skilful, skilled, adept, accomplished, talented, fine; master, masterly, brilliant, virtuoso, bravura, magnificent, marvellous, wonderful, outstanding, great, exceptional, superlative, formidable, excellent, dazzling, first-class, first-rate, elite, superb; proficient, good, able, apt, capable, competent, clever; experienced, practised, qualified, knowledgeable, well versed; specialist, professional; deft, dexterous, adroit; stellar, class, crack, top-notch, out of this world.*

In addition to applying this description we should also consider the presentational style and competence of the individual to ensure that she/he can actually deliver their expertise successfully.

Typically associations do not pay speaker fees but may well accept travel and accommodation costs.

Hopefully the above helps when identifying individuals within your networks who could be suggested as experts when members of the Federation are looking for speakers and that you will come forward with a named individual within your association who can co-ordinate requests from colleagues.