



ALASKAN PURCHASER

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April 2014

Elements of Effective Project Management Planning

By: James Kiser

Many business projects fail due to poor up-front planning. Effective project management provides the assigned team with a framework to guide the project and help them develop tools to measure the results.

Many supply management professionals underutilize project management planning skills. This article will provide supply managers with an understanding of the planning process and how to effectively use it in their internal teams and projects. By adapting better project planning skills, today's supply manager can better achieve the goals and objectives set forth by senior management.

Goals of a Project Management Plan

The underlying goal of a project management plan is to provide stakeholders, team leaders and team members an agreed-upon reference point to guide them through a project to successful completion. More importantly, the plan will:

- focus the team only on the stated project
- prioritize tasks
- allocate resources
- establish timelines and milestones
- mitigate risks
- ensure the end product meets expectations
- provide a means to measure success.

It is important to remember that project plans are “living documents” that allow team members to change or update tasks, processes and timelines as new data is uncovered.

What goes into a project management plan?

There are several components to a well defined project plan:

1. *Senior management direction and support.* Senior managers or project sponsors are responsible for determining the strategic direction, resource allocation, and objectives. They are also the link between the project team and the executive management who are driving the overall company objectives and direction. Sponsors or senior management must challenge the project leaders and team members to develop a plan structure and process that maintains, organizes, controls and implements the project's overall scope.
2. *Assembling the team.* The project team must be comprised of the right individuals with the appropriate backgrounds and skill sets. The team can include professionals from any number of internal departments or disciplines.
3. *Roles, responsibilities, authority and accountability.* Once assembled, the team should identify a leader who will be accountable for formulating the plan and overseeing any ongoing processes, such as coordinating project tasks and assigning staff. The remaining team members will have their roles, responsibilities, and authority clearly outlined in the plan.

THURSDAY 3 APRIL 2014

**NAPM-ALASKA
PRO D MEETING**

See Page 5 For More Information

TIME: 5:30 p.m. Networking / 6:00 p.m.

Cost \$28.00* Includes Dinner.

VISA and MasterCard Accepted

No-Shows Billed

**Location: Coast International Inn,
3450 Aviation Avenue. Anchorage Alaska**

RESERVATIONS REQUIRED

Contact- Pam Chenier

email: Pamela.chenier@alaska-pipeline.com

no later than 5 P.M. on Tuesday April 1, 2014

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This will help guide the individuals through the project and ensure that there are no questions as to what is expected or for what they are accountable.

4. *Team process.* The leader and team members are responsible for determining the working process of the team and clearly outlining it in the plan. The actual work process will be dependent on the stated goal and tasks best suited to attain that goal. However, it is the responsibility of the team leader to manage, direct and control the day-to-day activities, including an individual’s ability, commitment and attitude to execute their assigned tasks.

5. *Business objectives.* The project plan must clearly state the project’s objective and its relevance to the business’s overall objectives. Sponsors are responsible for ensuring that these goals are in alignment.

6. *Project planning tools.* A number of tools must be made available to project managers to use during the planning process. This includes everything from simple computer spreadsheets to illustrate tasks to complex data collection/data mining instruments for benchmarking a measurable goal. The right tools are critical in determining resource allocation, timelines, risk assessment and measurement. The use of these tools must tie into the overall project goals.

7. *Communication and reporting methods.* A team can communicate and report to its sponsor in a number of ways—ranging from a daily email to more complex documentation. The key is to have the plan outline what is appropriate for the level of work being accomplished and allow for adjustment if additional (or less) reporting is necessary.

8. *Measurement and tracking.* Finally, a solid project plan will have clearly defined measurement metrics and benchmarks to check progress. What is being measured or tracked should be benchmarked at the outset and parameters identified for the team to assess their progress against stated goals.

Project Management for the Supplier Selection Process

Project management planning is a critical skill that supply professionals need to use in developing a comprehensive strategic commodity supplier program. As part of the cross-functional team’s projects, managing the creation of the supplier selection process will be among the most important as it impacts multiple

people and processes internally and externally.

When choosing suppliers for short- or long-term cost/value savings, the cross-functional team must first analyze current relationships with incumbent vendors. In order to properly evaluate existing suppliers, each company’s commodity data, markets, contracts, and portfolio position should be examined and discussed. When this step is done, you must review the supplier specific procurement processes that are in place. When this exercise is completed, you can confidently determine whether to seek out alternative suppliers, purchasing methods, or both.

As you proceed through this evaluation, some questions to ask include:

- What other suppliers provide the same materials and service locally or regionally?
- What is the nature of the supplier markets?
- What quantity of materials do we buy and what is the makeup of those materials?
- What is the supplier’s cost of materials?
- Is there a contract in place and if so, how long is it? What is the background of the contract with this supplier? How, why and who put the package together? Are we adhering to the contract and is the supplier performing to the stated requirements as well?
- Do we have a supplier measurement program in place with metrics measuring established base-lines and monitoring performance requirements? What is being done with this data?
- Have we incurred price increases and, if so, what is the justification by the supplier?
- What is the supplier doing to manage its supply cost structure?
- Is the current relationship direct and positive or exploitative and caustic?
- What are our plans to start conditioning the supplier differently as a company?

At this point, the issues are openly discussed between team members and the strategy for changing the nature of the relationship with a particular supplier begins to formulate. The project management process is effective in keeping members focused on the goal of developing the commodity strategy. As an outgrowth, team members will recognize the need to develop guidelines for the policy and the process for how future working relationships between buyer and supplier will be managed.

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Mitigating Project Team Risks Within the Plan

As part of the planning, the issues of risk assessment and mitigation need to be addressed. From a project team viewpoint, the biggest risk to a project is the loss of a team member. Losing a critical team member to other company needs has to be assessed against that person’s involvement in data gathering, contract specifications, internal technical knowledge, and negotiation with suppliers. Contingencies need to be identified, quantified, and documented for any issue that could pertain to the plan. Project teams need to factor in the variability for certain risk factors and test those factors, which essentially change the nature and means of reaching a stated planned goal.

Conclusion

The project management planning process, when implemented correctly, gives the project team up-front senior management support, clear strategic direction and the right tools to manage a project to its desired conclusion. Supply managers who embrace this process will be more successful in directing their key projects and delivering the results that top management demands. Furthermore, developing and maintaining effective project management systems bridges the gap between the end products or services your company offers and what the customer really desires.

DIRECTOR OF MEMBERSHIP WARD W. WELLS, C.P.M.

The days are beginning to get longer with more daylight hours and soon the snow will be gone. As we move toward spring our thoughts turn to the changes in weather and outdoor activities, however at this time of year NAPM Alaska will make a strategic change also. I am speaking of our upcoming Board member Elections. Your Board of Directors is working hard to build the organization that will be most beneficial for you the members. As the Director of Membership I want to emphasize the importance of the leadership that the Board of Directors provides for our organization.

April is Election Time: Elections for several Board of Director positions will be voted on at the April Professional Development meeting. This year will be especially crucial as NAPM Alaska will host the Pacific Northwest Purchasing Conference in October. **Please Plan to attend and participate in the upcoming board member elections at the April Pro-D Meeting.** Your participation in the election process is very important. Please attend and vote to shape the future of your NAPM Alaska affiliate.

Please Welcome New NAPM Alaska Student Members:

- Mr. Timothy M Diaz
- Mrs. Eka D. Kidd
- Robert D. Lekity
- Matthew D. Williams
- Emily “Kylie” K. Kroeker
- Alexander Rodionov
- Jennifer R Lindsay
- Nicole E. Lewis

Hope to see you all at the Professional-Development meeting in April.

Ward

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PRESIDENT TONY LAZENBY

!!!!!! WELCOME to SPRING 2014 !!!!!!!

I know there's snow on the ground and the nights still get chilly, but the calendar says it's spring so it has to be true. The calendar also reminds us that it was almost exactly 50 years ago today that many of us experienced the devastation of the March 27, 1964 Earthquake. Please, please, please take the time to review your organizations Disaster Plan and your home Emergency Plan. For those with family at home, get them involved and practice your plan.

Also on my calendar are the dates of the two remaining Pro-D and Board of Directors meetings before we go on summer break. That doesn't mean your Board will have all the time they'd like to enjoy summer activities, because the various 71st Pacific Northwest Purchasing Conference Committees will be very busy preparing for it with less than 6 months to go. We'd love more of you to lend a hand so please contact me or any other members of the Board for a committee assignment based on your skills and personal preferences.

April is also the time for our annual meeting of the Membership and elections for your 2014/2015 Board of Directors at the Pro-D meeting. I'm very pleased with the roster of candidates nominated at our March Pro-D. There are 12 very qualified individuals running for 7 open positions, 5 of which are Officer Positions. Please see Marlys Hagen's article for more details on the candidates and position's they are running for. My sincere thanks and best wishes to them all for their commitment to continued improvement and support of your NAPM Alaska's Mission and Vision.

I encourage each of you to attend the April Pro-D meeting for another great speaker recruited by your Director of Education, Ben Milam, and the opportunity to select the Board Members who'll lead your organization into the future.

Tony

**DIRECTOR OF EDUCATION
BEN MILAM, CPPM, C.P.M.**

“Negotiating Out of a Hole”, an interesting dilemma. I am sure we have all been there and were hoping for a magic answer. Unfortunately I did not hear the magic word, but I did hear some interesting tips and some interesting acronyms.

MSS—Most Supportable Solution; a great term to include in the pre-negotiation plan. LAS—Least Acceptable Solution; not one I want to consider, but another great term for the pre-negotiation plan. BATNA— Best Alternative To a Negotiated Action; my personal favorite, but one I often fail to write down. Single Source and pre-negotiated deals are subjects I best avoid until I get a fresh bottle of blood pressure meds. Thanks Mark for great reminders and for some valuable tips.

Hopefully you were able to attend our seminar earlier in the month on “Innovative Trends in Technology Contracting.” This was probably one of the most requested topics, but a very specialized field and it is hard to find a qualified speaker. By all verbal and written reports we hit the jackpot on all counts. Thanks again to Mark Trowbridge for a great seminar.

PRO-D MEETING AND DINNER, APRIL 3, 2014.

Its going to be a surprise as our speaker has not yet confirmed, but I promise it will be educational and enjoyable. This is also election night. Make sure you attend this important meeting to help select YOUR Board of Directors for the coming year.

We are meeting at the Coast International Inn (near the airport) for this meeting and all remaining meetings through May of this year.



**TIME IS PASSING FAST! MARK YOUR CAL-
ENDAR!! 71st Annual Pacific Northwest Purchasing Conference, October 6-8, 2014, Anchorage Alaska.** NAPM-Alaska has been selected to host this important conference again in 2014. Hopefully you had as much fun as we did at the conference in 2009. That one will be a hard act to follow, but your Affiliate Officers are striving to improve on that great performance. Our theme for this conference is *“Prospecting for Golden Nuggets of Knowledge”*. We will build on that theme to bring you fantastic speakers and fantastic entertainment.

Our Conference Planning Committee is now in full swing looking for vendors for the tradeshow and high quality speakers to conduct educational sessions. We have an extraordinary vendor community in Alaska and many of them are looking for increased business opportunities. We can benefit by helping them become stronger.

Please look at your vendor list and provide us with contact information. If you know of a great speaker, please send their contact info as well. Please send any information to the Conference Co-Chairs Ben Milam, whiskers@mtaonline.net or 729-2972 OR to Marlys Hagen, marlys.hagen@alaska.gov or 269-8666.

VOLUNTEERS NEEDED

We have several positions open for volunteers to help with the upcoming conference. This is a great opportunity for members and non-members and it can be a lot of fun. Call for additional information.

CPSM CERTIFICATION BOOT CAMP

We have negotiated a special deal for our NAPM Alaska members. If you are considering professional certification, this is a great opportunity. Our instructor for this seminar has set a minimum class size so you **MUST REGISTER BY SEPTEMBER 1, 2014** otherwise the class will be cancelled. See the enclosed flyer.

Ben

**PAST PRESIDENT
MARLYS HAGEN, C.P.M., CPPB, CPPO**

I can't believe that the Iditarod is over and Spring is here! The days are definitely noticeably longer.

Following is the slate of candidates for board positions we will be voting on at the April Pro-D meeting. Since we have multiple candidates for some positions, each of the candidates will be preparing written statements that will be handed out at the April Pro-D meeting. Also each candidate will be given one minute to do a verbal presentation at the meeting. It is great to see so much interest in these board positions.

There are four candidates for the two Director and Large positions, so the two candidates that get the most votes will be the winners. We will do the installation of officers at our May Pro-D meeting.

Office	Incumbent	Candidate(s)
Past President	Marlys Hagen	Marlys Hagen Tony Lazenby
President	Tony Lazenby	Marianne Beckham Ben Milam
Vice President	Marianne Beckham	Annie Messer Jule Magee
Secretary	Jared Rennie	Jared Rennie
Treasurer	Pam Chenier	Pam Iverson
Director at Large	Suzanne Collier	Suzanne Collier
Director at Large	Jule Magee	Jule Magee Roxanne Peter Lila McNeese

Northwest Purchasing Education Council

There was an NPEC board meeting held last week. The most significant item that came out of the meeting is that currently there is no host for the 2015 Pacific Northwest Purchasing Conference so the NPEC board is looking into the possibility of planning the 2015 conference. More information will be coming on that.

Marlys

April 2014



**National Association of Purchasing
Management - Alaska Inc.**
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Anchorage, AK 99509-3047
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WHAT'S HAPPENING!

**THURSDAY,
3 APRIL 2014**

**PRO-D MEETING
2013 NAPM ALASKA BOARD
OF DIRECTOR ELECTIONS**

**EDUCATION SESSION
TOPIC TBA**

**COAST INTERNATIONAL INN
ANCHORAGE, ALASKA**

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The Alaskan Purchaser is published monthly (September to May) by NAPM-Alaska, Inc., an educational organization committed to providing purchasing and material management practitioners the opportunity to enhance their professional skills and knowledge. If you have an item you would like to contribute to the newsletter, please contact:

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