



Innovation and Real-World Strategies:

Optimize Your Services Spend

7th Annual ISM Services Group Conference

presented by

Institute for Supply Management™

December 7-8, 2006

Hilton Scottsdale Resort & Villas
Scottsdale, Arizona



www.ism.ws • 800/888-6276 or 480/752-6276, extension 401



Did you know...

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

(Survey by CAPS Research)

Imagine the benefits of an effective services spend!

sponsored by





Innovation and Real-World Strategies:

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7th Annual ISM Services Group Conference

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Innovation and real-world results are at the forefront during the 7th Annual Services Conference. By now, you know the basics and have applied your knowledge of the traditional spend to your services spend. This year, we take things a step further. Use the lessons learned from others to blaze a trail within your own company. Avoid pitfalls, minimize weaknesses and leverage your strengths by learning from the leaders in the field.

Who Should Attend

This program is designed for supply management professionals responsible for acquiring services. 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 Group 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 service arena, and reveal hidden savings in the process. Currently, only 27 percent of the purchase of service dollars is handled by supply management professionals (from 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 since they can't handle much frost.

Earn 10 Continuing Education Hours (CEHs) for your participation.

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

Curriculum

Thursday, December 7, 2006

8:00 – 8:15 a.m. Welcome

8:15 – 9:15 a.m. General Session

Supplier Relationship Management at Kraft Foods

GRACE PUMA, Vice President, Global Indirect Materials and Services Procurement

Kraft Foods

Hear how Kraft Foods' supplier relationship management initiative categorizes and is used across buying categories to leverage innovation and to drive out cost. Learn how to get started and what you might expect to encounter in the process of setting up a supplier relationship management program. In addition to suppliers of goods, services-related suppliers in the areas of consumer call center services, IT and logistics are addressed.

9:45 – 11:00 a.m. General Session

A Hybrid Approach to Services Procurement

BRADLEY J. HOLCOMB, Senior Vice President, Global Materials & Supply

Royal Group Technologies Limited

In this session, learn how Royal Group Technologies combines the skills and tools of project management and electronic procurement for strategic service categories. Royal, a world leader in advanced polymer processing and design and North America's largest PVC extruder and manufacturer of a complete line of building and home improvement products and materials, shares lessons learned and the fine points of its successful program. Hear how Royal initiated a program review of indirect spend categories and learn how this organization selects, assists with roll out of services and monitors service providers to ensure service improvement targets and cost reductions are achieved.

11:15 a.m. – 12:15 p.m. Concurrent Session I

Select one session.

TC Optimizing Your Corporate Travel Program

DEANNE PALAZZO DALE, Vice President, Strategic Account Management and Consulting Services

Travelocity Business

KATHLEEN (SULLY) SCHAFER, Vice President, Corporate Procurement

McKesson Corporation

Since 2000, corporate travel programs have increasingly been re-aligned under procurement departments to help optimize the cost savings that companies can achieve with travel suppliers. However, corporate travel is inherently complex when compared to other types of services and requires constant consideration of other factors such as employee safety and employee productivity. Find out how to work within the procurement framework to develop highly successful travel programs that maintain reasonable travel costs and appeal to business travelers alike. Topics include:

- Taking better control of the planning phase of corporate travel to create a structured and measurable program
- How to take the fullest advantage of preferred carrier programs and travel policies
- The best ways to communicate and influence travelers to increase compliance
- How to use strategic negotiation tactics with travel suppliers

TD Managing the Corporate Relocation Spend While Maintaining Employee Benefits

FRANK M. CORRIS, Manager, LLS-Strategic Procurement Limited Brands

Hear from a 25-year veteran of both sides of the relocation equation: human resources and procurement. The Limited Brands Relocation Services team handled 175 homeowners and 281 renters domestically in 2005. At Limited Brands, Corris is responsible for more than \$300 million/year in business services spend and is charged with strategically containing, managing and predicting spend for all sectors under his control. The Limited Brands Relocation Services team has been through several bidding processes, including household goods and long-term or temporary housing. Discover how Limited Brands refined its relocation policy and implemented best-practice procedures. This workshop covers a range of relocation issues, including:

- Educating yourself about the program and policy
- Conducting the bidding process for services within the program
- Selecting individual suppliers to be used within the program
- Aggregating other similar company functions under the relocation spend
- Process and methodology for execution
- Working effectively to manage a third-party provider of relocation services

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



There are more than 300 golf courses in Arizona.

1:45 – 3:00 p.m. General Session
The Challenge of Procurement Divergence Beyond 2007

CLIVE HEAL, FCIPS, Head of Global Procurement
Genentech, Inc.

The premise of this presentation is that many procurement teams are doing the same things with the only variables being how far advanced they are and how well they are doing them. The current business environment promises many innovative opportunities coming over the next few years. These opportunities are radical and will change the face of procurement. As leaders, you will need to select the optimal pathway for your organization. It's guaranteed that procurement will become a competitive differentiator between companies, so procurement leaders need to plan their pathways and strategies now. Make no mistake: There will be winners and losers in this game. This session highlights alternative strategies that lead you to the winning paths!

3:30 – 5:00 p.m. Concurrent Session II
Select one session.

TF Developing and Implementing a Global Services Program: Cradle to Grave

MICHAEL G. PATTON, Director, Supply Chain Management
Johnson Controls, Inc.

This case-study presentation reviews and addresses the components, actions, challenges, opportunities and issues in developing and implementing a global services program. Discover how Johnson Controls, Inc., a global market leader in automotive systems and facility management and control, develops and manages services programs to meet internal requirements. Specifically, this session addresses the actions, risks, benefits, challenges and processes required to successfully develop and implement a global services program. Some of the key components included in this session are planning, change management, standardization of service level agreements and key performance indicators, quality, environmental, health and safety issues, technology, reporting and supplier performance management.

TG How to Build a Business Case for Services Procurement

BRETT WALKER, Sourcing Portfolio Manager
CUNA Mutual Group

JOHN F. MARTIN, Senior Vice President, Strategy & Technology
IQNavigator

Gain an insider's view on how to build a business case for services procurement. Discover pertinent market research and trends. Follow the steps CUNA Mutual Group took to gain executive sponsorship for what has become a highly successful services procurement program. Apply these

strategies within your organization and build a services procurement program that can contribute to your bottomline success.

5:00 – 6:30 p.m. Networking Reception and Select Supplier Showcase

Friday, December 8, 2006

8:00 – 9:30 a.m. General Session
Establishing a Best Practices Approach for Procuring Professional Services

ANTHONY MANLEY, Senior Vice President, Director of Procurement, Corporate Sourcing

KeyCorp

Discover how KeyCorp, one of the nation's largest bank-based financial services companies, selects service suppliers and uses a master services agreement approach. Explore the seven basic essentials to a functional Statement of Work (SOW) — which can be effectively used as a template for almost every situation. Learn how to best structure the “Unknown Deal” — where you know you will be using a particular supplier, and you have to get a contract in place, but you do not yet know the full breadth/scope, hence cannot push for your best deal.

9:45 – 10:45 a.m. Concurrent Session III
Select one session.

UB Sourcing Value Chain in Marketing

MARIKA LINDSTROM, Director, Indirect Sourcing, Europe, Middle East and Africa

Nokia Corporation

This workshop covers the complete value chain in the area of marketing sourcing in Nokia globally. Explore source-to-pay process in marketing, share some of the challenges and success stories, and demonstrate one way of gaining sourcing and process compliance around the marketing spend. Also highlighted is how Nokia's indirect sourcing has become an internal coach for the company on cost-consciousness and professional sourcing behavior.

UC Intel Case Study: Using Your Purchasing Department as a Savings Solution for Rising Healthcare Costs

SHARON BARNES, Global Benefits Sourcing Manager
Intel Corporation

New to sourcing medical benefits? Learn how Intel Corporation's purchasing department strategically influenced corporate benefits by successfully delivering significant, high-impact results and modeling sourcing excellence.

Registration

Wednesday,
December 6, 2006
4:00 - 6:00 p.m.

Thursday,
December 7, 2006
6:30 a.m. - 4:30 p.m.

Friday,
December 8, 2006
7:00 - 10:00 a.m.

10:55 a.m. – 12:10 p.m. General Session

Organizing for and Capturing the Value of Strategic Sourcing

RICHARD D. JONES, Strategic Sourcing Executive, Enterprise Sourcing, Products and Services

Bank of America

Purchasing organizations have achieved different levels of maturity in large part based on external pressure from customers, the availability of information and the competition. Industrial companies – the earliest firms to seek global suppliers – have reached a level of purchasing maturity that is described today as supply chain management. Not all industrials have achieved true end-to-end supply chain and demand management. Service providers have tended to lag in this change process, with banking and financial services trailing most industrials of similar size. If a firm is a service provider or in the financial services industry, it may find that much can be learned by applying common strategic sourcing techniques to identify how best to organize for strategic sourcing and manage commodities and sourcing categories. This presentation will describe the economic benefits that can be generated by adopting a strategic sourcing model as well as provide the audience with a tool to use in helping to organize one's purchasing organization around this concept.

12:10 – 12:25 p.m. Closing Remarks

Downtime

GOLF

If golf is your game, there are three world-class facilities located near the resort:

Camelback Golf Club

www.camelbackinn.com/golf/golf.asp

McCormick Ranch Golf Club

www.mccormickranchgolf.com

Talking Stick Golf Club

www.talkingstickgolfclub.com

CYBER CAFÉ

Take advantage of our Cyber Café while you're at the conference. There's nothing worse than returning to the office and facing a full mailbox. Check your e-mails and get a jump on things while you're out.

TAKE HOME A MEMORY

Be sure to stop by the photo kiosk (on Thursday evening) and take home some ambience captured from the Arizona open road. Get your kicks on Route 66.

Registration Information

Accommodations — Please make your own hotel reservations. All sessions are at the Hilton Scottsdale Resort & Villas, 6333 N. Scottsdale Rd., Scottsdale AZ 85250. For reservations, call 480/948-7750 or 800/HILTONS. Be sure to mention ISM to receive the special room rate of \$155 Single/Double. The ISM rate is offered until November 6, 2006; rooms sell out quickly so please be sure to reserve your room early. Book online at www.scottsdaleresort.hilton.com and use group code **ISM**.

Discounts

Membership Discount — Regular members of ISM receive a \$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. Visit our Web site at www.ism.ws and become a member online.

Team Discount — There is a \$25 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.)

Pre-Conference Seminar Savings — Register for the Services Conference and for *Strategic Services Procurement: Applying Strategic Sourcing Principles*, Seminar #4454, and save \$100 on your registration fee.

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

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

Food for Thought — Your full registration includes the following meals and events: Thursday, December 7, 2006, continental breakfast, lunch and a networking reception in the evening. Friday, December 8, 2006, continental breakfast. Your confirmation letter will include details for these events.



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



All attendees receive a complimentary 2-DVD set of our recent Satellite Seminar *Buying Travel, Energy and Other Services*. \$99 Value.

Select Supplier Showcase

Information Leads to Innovation

Take a break and visit our Select Supplier Showcase. Use this time to gain information — find out what's new and start building a path toward innovation and success.

Sponsors



Ariba, Inc. is the leading provider of spend management solutions to help companies realize rapid and sustainable bottomline results. Ariba's world-class solutions, which include software applications, services and network access, are designed to provide organizations with technology and business process improvements to better manage their spend and improve their bottomline. Ariba helps organizations overcome business obstacles to success by offering solutions that address speed, sustainability, coverage and flexibility. Ariba can be contacted in the U.S. at 650/390-1000 or at www.ariba.com.

IQNavigator is the leading global provider of services procurement and optimization solutions that enable Fortune 500 companies to increase profitability by reducing and controlling costs for all types of outside services spending worldwide. By leveraging the IQNavigator solution to source, procure and manage outside services spending, organizations quickly achieve significant cost reductions and ensure compliance with both internal policies and government regulations.

JVKellyGroup, Inc. is a complete expense management consulting firm headquartered in New York. Our team brings innovative strategies to deploy true cost reduction throughout a corporation. We have the ability to work on a single project or provide a suite of services tailored to your company's needs. Our clients include Fortune 500 companies as well as growing companies that can benefit from our expertise in shrinking expenses and expanding their bottomline. Telephone: 631/427-2888 E-mail: info@JVKG.com

Peopleclick is the leading global total workforce acquisition provider for salaried, hourly and contingent workers. We deliver solutions that help companies attract, acquire and deploy a diverse and productive workforce. Peopleclick empowers clients to radically simplify, improve and measure their workforce acquisition lifecycle, while integrating affirmative action and diversity goals into their hiring processes.

By focusing exclusively on relocation, Primacy has become one of the five largest third-party relocation resources in the world and the first choice among discerning companies. Primacy focuses its business on process improvement in both client and transferee satisfaction, delivery of the highest level of service and value to global 1,000 customers and beyond.

Rearden Commerce, Inc., provides the world's largest marketplace for services of all kinds, including travel, entertainment, package shipping and meeting services. Through our online personal assistant, employees can purchase services from a trusted network of over 133,000 global services merchants based on personal preferences and company policies. Rearden Commerce is headquartered in San Mateo, California. For more information, visit www.reardencommerce.com.

Registration

Innovation and Real-World Strategies: Optimize Your Services Spend

PROGRAM NAME

Innovation and Real-World Strategies: Optimize Your Services Spend
7th Annual ISM Services Group Conference

MEMBER FEE

\$795 (USD)

NONMEMBER FEE

\$995 (USD)

STRATEGIC SERVICES PROCUREMENT: APPLYING STRATEGIC SOURCING PRINCIPLES #4454

December 5-6, 2006 **\$995 Members**/\$1,295 Nonmembers
Add \$200 if you register for Seminar #4454 after November 6, 2006.

FOUR EASY WAYS TO REGISTER

Internet: Register online at www.ism.ws.

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

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

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

- Check this box if you are also registering for the Pre-Conference Seminar, Strategic Services Procurement: Applying Strategic Sourcing Principles #4454, Dec. 5-6, 2006, **\$995 Members**/\$1,295 Nonmembers

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Title _____ Organization Name _____

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

Charge Card # _____ Expiration Date _____

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 five general sessions and three concurrent sessions. Please place an X in your preferred concurrent workshop sessions:

Thursday 12/07/06, Concurrent Session I — 11:15 a.m. - 12:15 p.m.

_____ **TC** Optimizing Your Corporate Travel Program

_____ **TD** Managing the Corporate Relocation Spend While Maintaining Employee Benefits

Concurrent Session II — 3:30 - 5:00 p.m.

_____ **TF** Developing and Implementing a Global Services Program: Cradle to Grave

_____ **TG** How to Build a Business Case for Services Procurement

Friday 12/08/06, Concurrent Session III — 9:45 - 10:45 a.m.

_____ **UB** Sourcing Value Chain in Marketing

_____ **UC** Intel Case Study: Using Your Purchasing Department as a Savings Solution for Rising Healthcare Costs

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.)



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Phoenix/Scottsdale, 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 the world. Known as the "Valley of the Sun," Phoenix averages a high temperature of 66 degrees 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. 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 Scottsdale, the greater Phoenix metropolitan area, and other points of interest in Arizona, visit www.arizonaguide.com.

Education²

Increase your educational experience exponentially.

This seminar provides a fresh look at the strategic nature of the supply function and opportunities for expanded involvement in the area of service procurement. The accelerating growth of services as a component of total spend underscores the need for the supply function's strategic role in this area. This 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 service spend and service supply base, and participant analysis and discussion of case studies specific to service spend not traditionally sourced through the purchasing function. Register for this pre-conference seminar and the Services Conference and save \$100.

Strategic Services Procurement: Applying Strategic Sourcing Principles

Seminar #4454

December 5-6, 2006

Scottsdale, AZ

JC/DS

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