

Services Group

“Where Services Come Together”

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Message from Peter E. O'Reilly, DPS, C.P.M. Chairperson ISM Services Group

The Services Group, its Leadership Council, and its members are excited about the increased awareness services-related sourcing activities have received in the past few years. As much of the U.S. and global economies are moving to services, it is imperative that we in supply management positions use our opportunities to be leaders in these efforts. These are interesting times, as it is through organizations like the Services Group and I SM, that procurement professionals can best be prepared to meet and exceed these challenges. We welcome you to not only join the Services Group, but to take an active role in the direction the Services Group will take in the future.

Peter E. O'Reilly
Chairperson, Services Group

The Services Group in cooperation with ISM and local NAPM affiliates will be sponsoring a one-day seminar on the theme of "Best Practices in the Sourcing of Services" on June 2, 2005, in NYC. This dynamic seminar will be hosted by St. John's University in its downtown NYC campus. Features speakers will include John Patterson, CPO of IBM, and Lisa Martin, CPO of Pfizer. Contact the Services Group website in mid-December for more details.

Join the Services Group!

We are actively seeking new members. If you are interested in joining, please contact any member of the Services Group Leadership Council.

The Services Group presented a Teleconference in October "at no cost" on "The Impact of the Sarbanes-Oxley Act on Supply Management"

"Sarbanes-Oxley established financial guidelines, but it doesn't provide companies with a roadmap on how to reach them," explained Lynn Fountain, CPA, Vice-President of Risk Assessment and Audit Services for Aquila, Inc. on the Services Group Teleconference. Final Thoughts were: There is "no" one-size fits all for Sarbanes, Understand the "basics" of the rules, and Be "aware" of those attempting to "sell" control processes.

There was more than 300 Supply Management professionals in attendance. Below are some comments received from the presentation survey:

- The SOX teleconference you presented was excellent. We appreciate being able to participate in this group.
- The SOX seminar was valuable as a broad overview. I would like a more in-depth look at the impact of SOX in strategic sourcing.
- I would like to see more of these teleconferences. This venue allows for an informative, convenient way to obtain up-to-date information on subjects important to procurement professionals. Other topics of interest to me include procurement of services and Compliance with post 9-11 security regulations on imports as it affects procurement.
- Good job!

Watch for more Teleconference/Chat Sessions in the future offered by your Services Group.

An Interview with Jill B. Bossi
Excerpts from One on One
The Journal of Supply Chain Management (Fall 2004)

Jill B. Bossi, C.P.M. is a senior vice president in supply chain management for Bank of America and she currently serves on the Leadership Council of the Services Group.

The Journal of Supply Chain Management: What do you think is unique about the services industry supply chain?

Jill B. Bossi: There are many variations within the services industry and that is what makes it unique. What works in the hotel industry may not work in the financial services industry. In financial services, for example, what is most unique is the environment of laws and regulations in which supply management must work. That environment regulates everything we do. The same is true in the pharmaceutical industry where there are regulations around the way pharmaceuticals are produced and advertised. But that said, there are also many commonalities so that the process of procuring often is very similar across many different industries. We are all deciding what to buy, gathering and analyzing data, going out into the marketplace to find a solution, implementing control mechanisms to order products and services, and working with our customers to improve a situation. Another aspect of the services supply chain that I believe is unique is that the challenges are constantly changing. In manufacturing, many of the challenges are repetitive. But in the services industry, one year it may be a budget challenge, the next year it is a regulatory challenge.

The Journal of Supply Chain Management: What are some of the specific challenges in the services supply chain?

Jill B. Bossi: I think the biggest challenge faced by supply management is selling the value proposition. It is still a struggle for supply management in the services industry to convince our business partners that we bring value to the organization. The challenge is to convince our internal customers that by working together, we will bring value to the bottom-line. In manufacturing, that is clearly understood because so much of the business is based on products. If a company is producing automobiles, the supply chain is there and working to make sure every element of that vehicle is at the optimum cost. In services, supply management is not there yet. Another challenge is that in most services

industries, supply management does not have a mandate. Business units operate autonomously and as long as they are making their budget numbers, top management does not like to rock the boat.

The Journal of Supply Chain Management: How does supply management sell its value to customers?

Jill B. Bossi: First, supply management has to understand the customer's business, whether it's marketing, human resources, or quality and productivity. We also have to understand their particular business challenges so we can speak to those challenges in terms of the value proposition that supply management can offer. We have to be able to prove to them that we can help make their jobs easier or their budgets more viable.

The Journal of Supply Chain Management: How do you go about doing that?

Jill B. Bossi: It is all based on relationships and trust that you build from the ground up. You knock on doors and when you have small successes, you build on those successes until you've built a level of trust in your supply organization's competency and objectivity. Start by helping the business partner with something small. Tell them that by leveraging supply management, we can do the heavy lifting, allowing them to focus on their core competency. Supply managers have to make it clear to business partners that they still will be making decisions, but supply management will gather and analyze the data and negotiate the contract. Of course, the easiest way to sell value is if the senior management of the company gives supply management a mandate and tells the organization what needs to be done. In that case, doors get knocked open. However, even with a mandate, supply management has a limited amount of time to make a positive impact before those doors get slammed shut.

The Journal of Supply Chain Management / Fall 2004, Volume 40, Number 4, page 2-3 has the complete interview with Jill B. Bossi.

Interview by Mary Siegfried,
Writer for *Inside Supply Management*