

Leadership and Change: 100 Years of Supply Management



FORUM 2015

Presented by
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November 18, 2015

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Mr. Ore is a Director and Head of Industry Surveys at Strategas with responsibility for construction of internal indices, analysis of external surveys, and assisting clients in identifying global trends in manufacturing and services.

Following his career as a supply manager for Fortune 250 companies, he has been a successful entrepreneur, business process consultant, and an advocate for small-disadvantaged businesses. As an acknowledged leader in supply chain management, he has attained the status of Certified Professional in Supply Management (CPSM) and Certified Purchasing Manager (C.P.M.).

Additionally, he is a winner of the prestigious J. Shipman Gold Medal, which is presented for leadership in the field. He is best known for his work as the Chair of the ISM Manufacturing Report on Business®, the monthly economic report recognized as a leading indicator of the U.S. economy.

During Mr. Ore's 15 years as chair, he introduced business survey analysis to numerous organizations in the U.S. and internationally. He has also been instrumental in the establishment of similar surveys, most recently in Taiwan. He holds an undergraduate degree in business and a master's degree in organizational management.

- Director, Head of Industry Surveys
- Procurement Experience in Public and Private Sectors
 - CPSM
 - C.P.M.
- American Arbitration Association
- Past President ISM-Carolinas-Virginia
- Chair, ISM Manufacturing Report on Business for 16 years
- ISM J. Shipman and Thomas Awards
- Entrepreneur

2020

4
BILLION

Connected People



\$4
TRILLION

Revenue Opportunity



25+
MILLION

Apps



25+
BILLION

Embedded and
Intelligent Systems



50
TRILLION

GBs of Data



Source: Mario Morales, IDC

By 2020, the Internet of Things will have achieved “critical mass”. Linking enormous intelligence in the cloud to billions of mobile devices and having extremely inexpensive sensors and tags embedded in and on everything, will deliver an enormous amount of new value to almost every human being. The full benefits—in terms of health, safety and convenience—will be enormous.

U.S. Supply Chain Capability

In May 1940, FDR called for the production of 50,000 planes in a year, it was thought to be ridiculous. By 1944, the country was producing 96,000 a year. Technology blossomed. When metals became scarce, plastics were developed to take their place. Copper was taken out of pennies and replaced with steel; nickel was removed from nickels. War-inspired pragmatism even affected fashions: To save material, men's suits lost their pant cuffs and vests, and women painted their legs to take the place of nylons.



“As I hurtled through space, one thought kept crossing my mind - every part of this capsule was supplied by the lowest bidder”

John Glenn

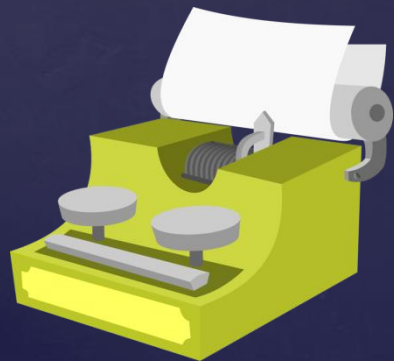
ISM 100th Anniversary in 2015

- 1960s Dominated by political change, space travel, Vietnam war, Great Society, Trust Departments
- 1970s Cotton crop failure, end of war, oil embargoes, Bicentennial, Man on the moon, Chrysler bailout, Mutual Funds
 - Tax Reduction Act lowering income tax rates from a range of 20-91% to 14-70%. Corporate rates are reduced from 52% to 48%.
- 1980s Miracle on Ice, Inflation, Space Shuttle, Deregulation, IBM PC, Berlin Wall, Mutual Funds
- 1990s Gulf War, Windows 3.1, WTC bombed, NAFTA, Euro introduced, Hedge Funds
- 2000s Y2K recession, WTC leveled, Iraq War, China emerges, Hurricane Katrina, Globalization, Great Recession, Hedge Funds- Private Equity
- 2010s Economic recovery, Euro Vulnerable, Public Pension Funds, Global

Purchasing and Supply Management Emerges

- 1960s Purchasing Agent focused on cost
- 1970s Purchasing Manager – continuity of supply
- 1980s Purchasing fights inflation
- 1990s Strategic Sourcing emerges under CPO
- 2000s Supply Management emerges
- 2010s Global financial recovery

Purchasing Evolves



Productivity Improves

Move to Strategic Supply Chain Evaluation



House of Purchasing and Supply



The Supply Management Continuum



Continuous Improvement --
what can you improve on a
bicycle?





New Paradigms

Making the Most of What You Have!!



- Globalization
- Technology
- Speed
- Customization
- Knowledge
- Profitable growth

Supply Chain – Six Drivers

Additive Manufacturing

- Selective Laser Melting
- Selective Laser Sintering
- 3D Printing
- Laser Cladding
- Stereolithography
- Paste Polymerization

Technologies Driving Reindustrialization

- Robots
- 3 D Model/Print
- Drones
- Smart Phones
- Tablets
- Imaging
- Lasers
- GPS
- Apps
- Open Source Software



Image credit: DARPA

1.4
Gigapixel
Camera







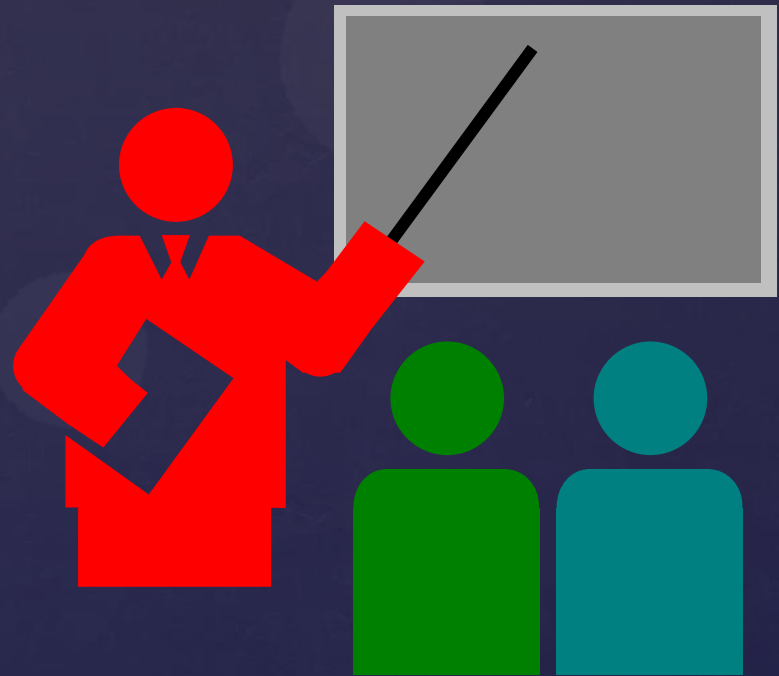
Supply Management Training Continuum

Basic Skills —————>	Core Development —————>	Intermediate Development —————>	Advanced Development —————>
<ul style="list-style-type: none"> • Effective Communication <ul style="list-style-type: none"> - Verbal - Written • Critical Thinking • Systems Thinking • MS Office Suite • Project Management • Economics 	<ul style="list-style-type: none"> • Organization Knowledge <ul style="list-style-type: none"> - New Employee - Code of Conduct - Agencies / Units • P2P • Sourcing Process • UCC / Contract Law • SOW / RFI • Supplier Diversity • Cost Reduction • Spend Analytics 	<ul style="list-style-type: none"> • Negotiation • Managerial Accounting • Contract Development • Outsourcing • Intellectual Property • International Trade • Risk Management • Category Management 	<ul style="list-style-type: none"> • Advanced Negotiations • Certifications • PMI Certification • Supply Chain Strategy

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Supply Management Skills

- Cost and market analysis
- Negotiations
- Internal and external relationships
- Global sourcing
- Change management
- Planning
- Organizational skills
- Project management





Excellence in Communication

(new information in this update appears in **boldface** type)

Update # 14: Earthquake Impact on Honda Operations

May 2, 2011 – 9:00 a.m. PDT

Honda would like to express its deepest sympathy and condolences to the victims of the earthquake in Japan, and our sincere hopes for the earliest possible relief and recovery of the affected areas.

North American Operations

More than 80% of Honda and Acura products sold in the U.S. are produced in North America, and the vast majority of automotive parts for Honda automobiles manufactured in North America are sourced in the region. **The following information (in boldface type) updates Honda's production situation as it impacts the supply of Honda and Acura cars and light trucks to the North American market.**

Vehicle Availability

Following is a summary of information concerning the impact of the Japan-based parts supply issue on the availability of Honda and Acura vehicles.

Other North American Operations

Honda's power equipment and all-terrain vehicle manufacturing operations to date are operating at normal production levels.

Japan Operations

Following is the current outlook for the impact of the major March 11 earthquake in Northeastern Japan on Honda Motor Co., Ltd's automobile production operations within Japan.

Recovery of Operations in the Tochigi Area

The impact of the earthquake was more severe at the Tochigi Factory (Moka, Tochigi), however, repair and inspection activities were completed for almost all facilities and equipment.

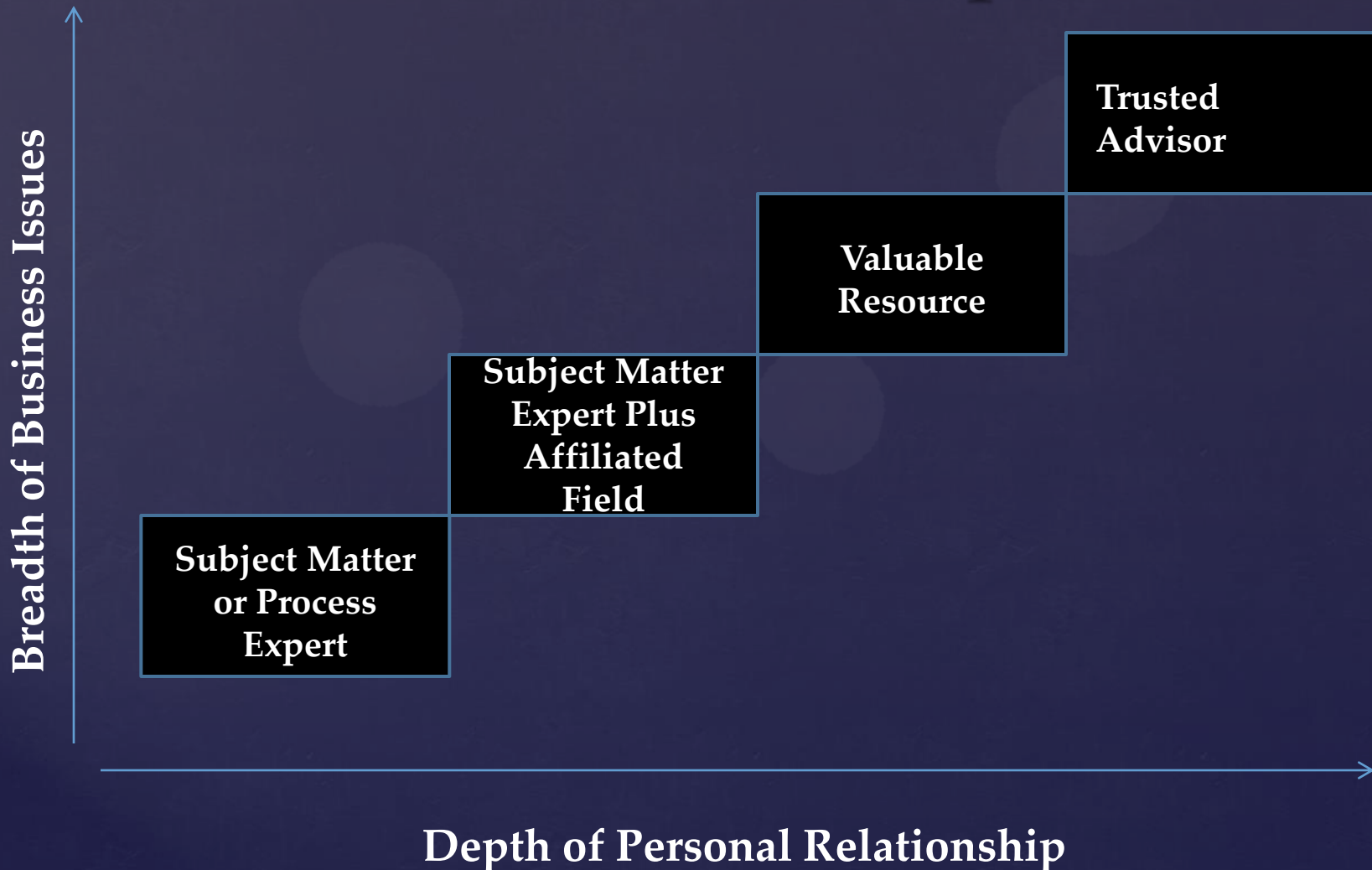
Aid

With the hope to contribute to the earliest possible relief and recovery of affected areas, Honda will provide the following aid:

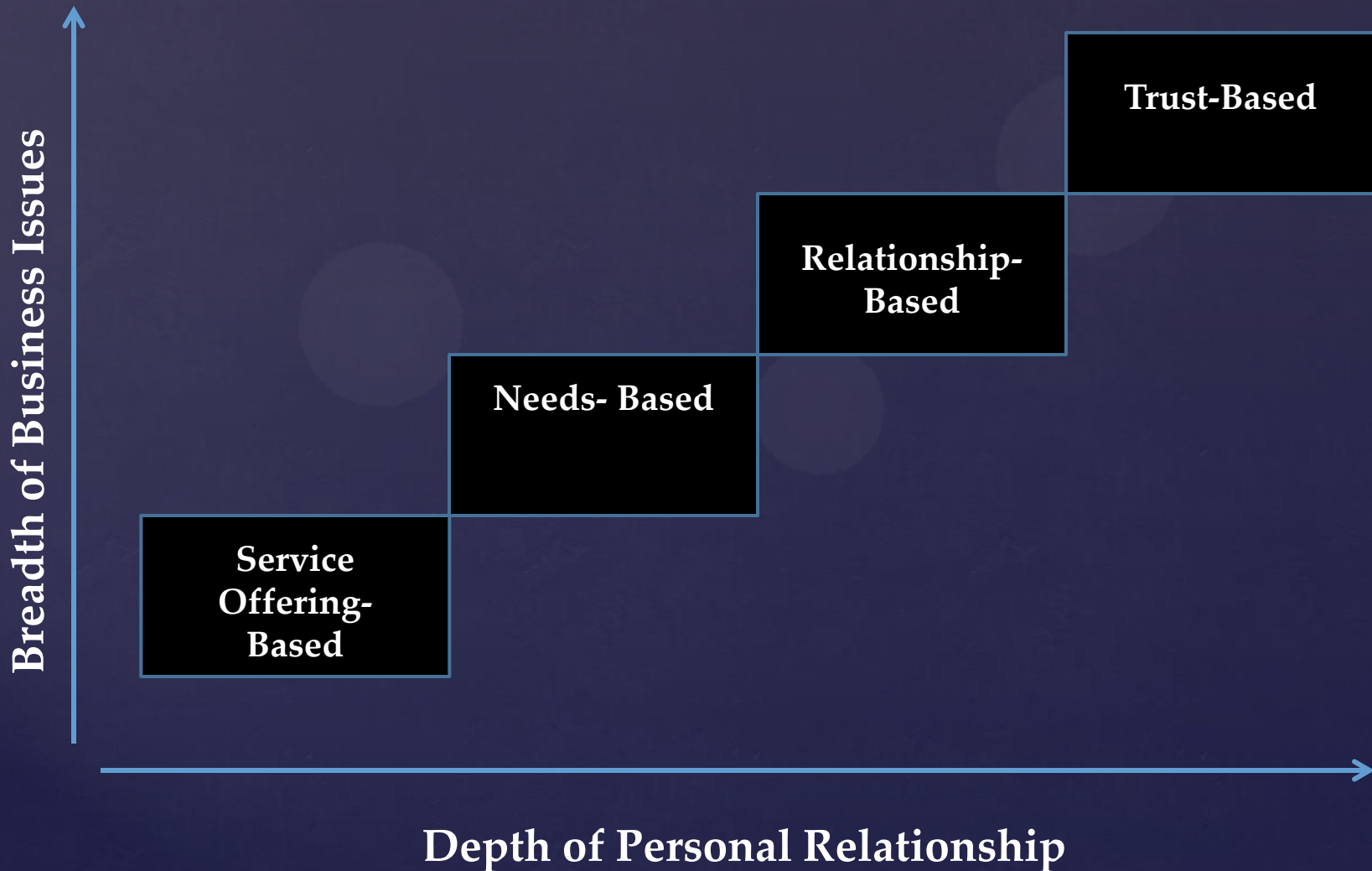
From Honda in Japan, 300 million yen (approximately \$3.7 million) toward the relief and recovery effort.

A total of 1,000 generators (gasoline-powered and home-use gas canister-powered), along with a total of 13,000 gas canisters.

The Evolution of a Client – Advisor Relationship



Four Types of Relationship



How Do You Demonstrate

- Focus on the client's needs
- Listen without pre-judging
- Appreciate unique aspects of client's situation
- Understanding of client's business
- That you will be easy to work with
- That you can make a unique contribution
- That your experience will facilitate solution to the problem

*“Dogs are forever, not
just for Christmas!”*

“A horse that runs a mile just a few seconds faster is worth much more!”

“It’s a poor frog that won’t
croak about its own pond!”

It's unwise to pay too
much ... but, it's unwise
to pay too little



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Thank You!!

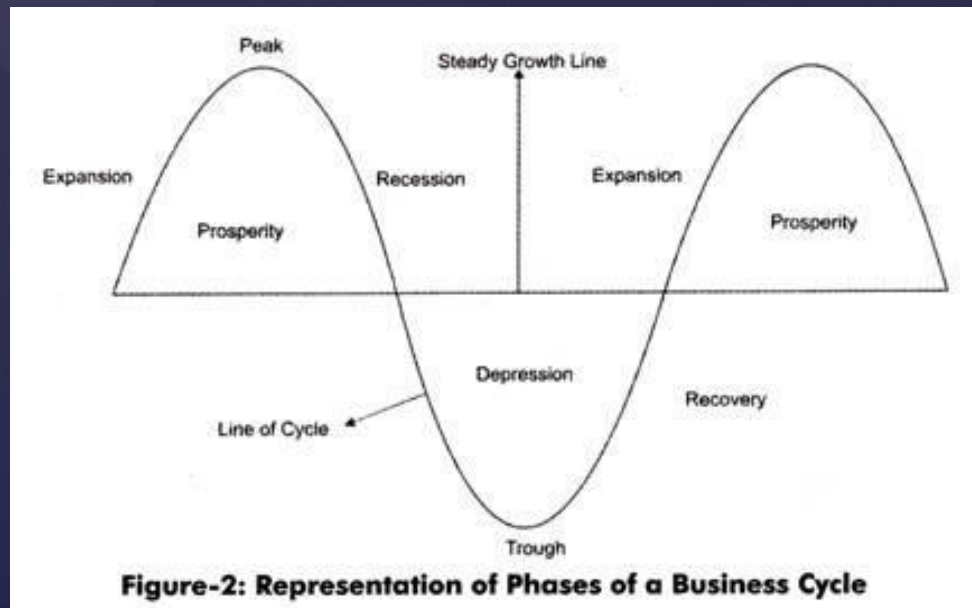
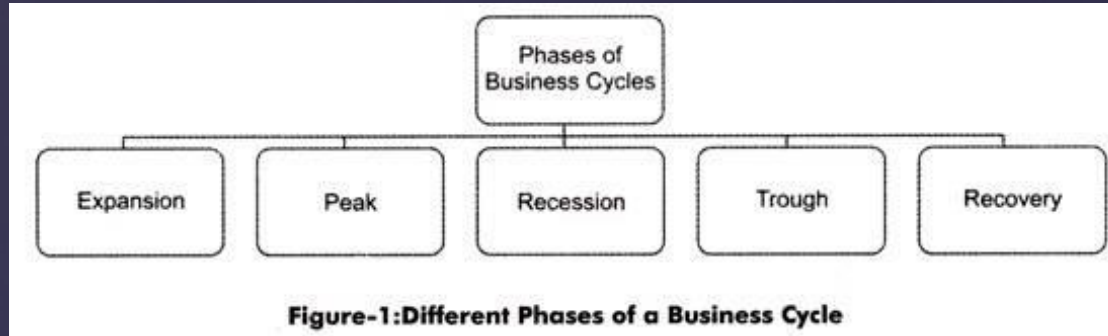


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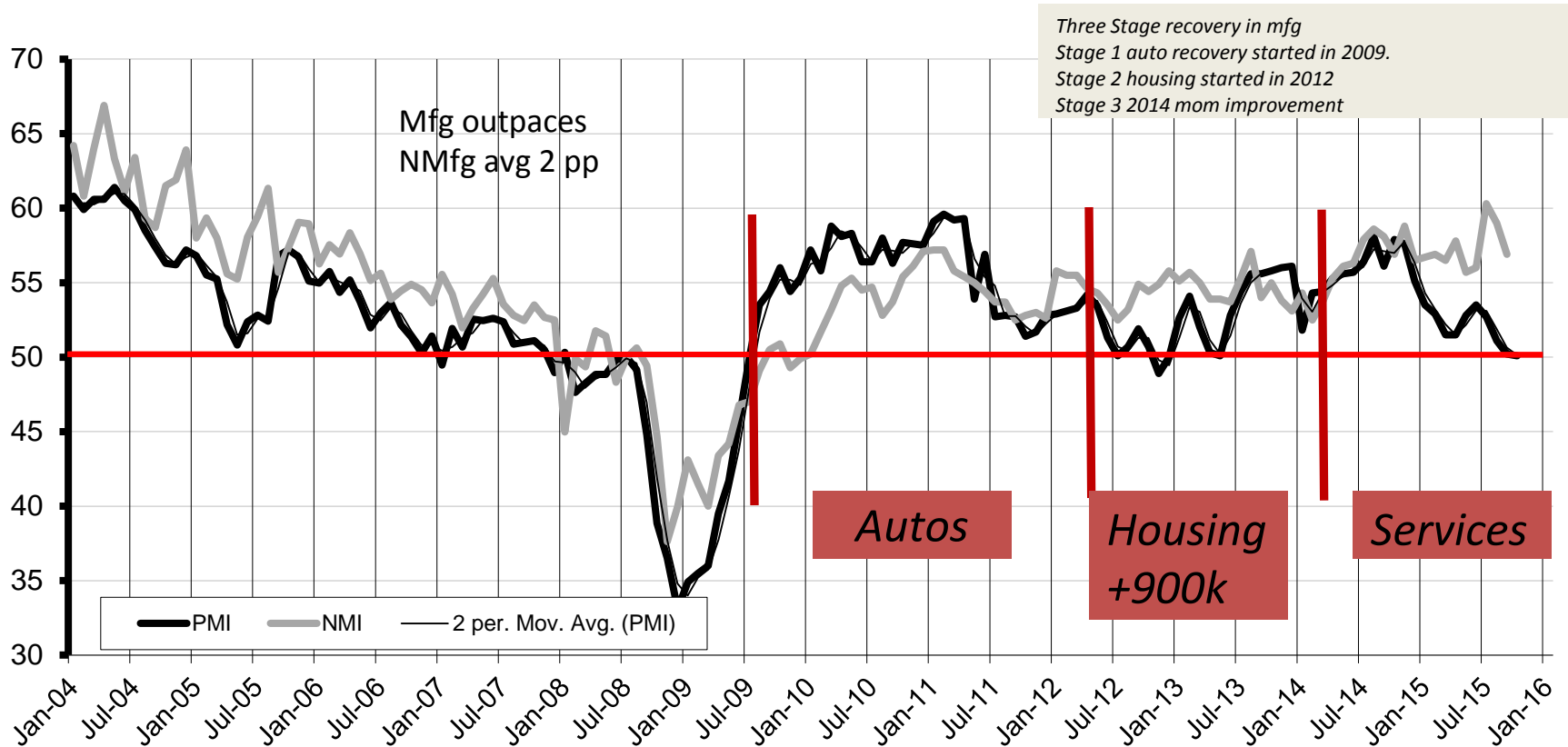
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The Business Cycle



ISM Manufacturing PMI™ - 50.1

ISM Non-manufacturing NMI™ - 56.9 (September)



Source: Institute for Supply Management