Purchasing Planning For Disaster - Are You Prepared?

If disaster strikes your organization, could your purchasing department respond? What level of internal customer service could you provide if the tools of your trade - your telephone, your fax, your copier, your COMPUTER - were no longer available? Frequently, an organization faced with disaster and subsequent recovery will require increased service levels from its purchasing department, at a time when the department's ability to respond has been seriously impaired.

Advance disaster planning will ensure that your purchasing department is still capable of meeting the procurement needs of your organization, even if serious disaster strikes, thereby reducing the risk associated with a disaster. Proper preparation for disaster reduces the level of risk to the purchaser, the purchasing department, and thus the entire organization. Experience shows that the majority of purchasing operations do not have a disaster plan. Of those that do, the plan is often outdated or unknown to most or all of the incumbent employees. This paper provides guidelines for both the development of a purchasing disaster plan, as well as guidelines for the re-evaluation of existing plans. The disaster planning process may be divided into three primary phases, i.e. prediction, preparation, and practice.

PREDICTION  The first step in the disaster planning process involves the prediction of potential disasters that might befall the firm. Obviously, some types of natural disasters have a greater probability of occurrence in different geographic areas - hurricanes on the southeast and gulf coasts, tornadoes and floods in the Midwest, earthquakes on the west coast. But, most disasters can be divided into two categories. Anticipated disasters and unanticipated disasters. Anticipated disasters are occurrences for which there is some notice prior to the arrival of the disaster, such as a major hurricane. Unanticipated disasters are those that strike without notice, such as tornadoes, earthquakes, and fire. Although, the risk factor is higher when faced with unanticipated disasters, through proper planning, the risk for both categories can be reduced. Based on the prediction of the various possibilities, the planning efforts should focus on the entire impact range, giving consideration to disaster effects ranging from minimal to catastrophic. The planning team might discount the most catastrophic impact extremes, believing there is a relatively low probability of such an occurrence. However, such thinking should be avoided. While it is impossible to plan for the full range of possibilities, planners should be prepared for the worst case scenario, and expect the unexpected.

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The preparation of the plan involves a review of existing corporate disaster plans and the development of purchasing plans to compliment the corporate plan. The disaster planning team should obtain a copy of existing corporate disaster plans and determine purchasing's role in the corporate plan to ensure that existing action requirements in the corporate plan are accommodated in the purchasing plan. It is not unusual to find that actual functional requirements in existing corporate plans lack specificity, and may not focus on detailed functional responses. In this case, the purchasing disaster planning team has the opportunity to "fill in the blanks" with specific purchasing disaster activities. "Prediction" phase. A plan to obtain a cellular phone to use if normal telephone service is lost, or maintaining a supply of manual purchase order forms to use if the computer is lost, are both examples of plans for dealing with negative disaster effects. Communications Since the primary communication tools of the purchasing operation involve the use of telephone lines in one way or another, the disaster plan must include alternatives to conventional telephone communication, either from the existing site or from alternate sites. Travel If the home base of the purchasing department is destroyed or rendered inoperable, transportation of equipment and/or personnel to an alternate operating site may be required. Administration Since temporary loss of electricity is a frequent effect of natural disasters, the planning team must consider the impact of such a loss on the department's ability to issue and track purchase orders/contracts. Insurance Determine the corporate insurance carriers' claim requirements so that steps are taken to ensure maximum financial recovery. With this advance knowledge, purchasing can plan to provide the necessary action/information required to ensure that claims can be handled expeditiously. In addition, the team should familiarize itself on FEMA claim requirements as applicable. FEMA claims are typically dependent upon such things as assurance of competitive pricing and return to "normal" procurement operations at the earliest possible time. Interfaces Internal interfaces may include materials control/management, inventory, warehouses, stockrooms, and accounting. External interfaces include primary suppliers/partners and in some cases, customers. The review of disaster interfaces with suppliers/partners should include obtaining 24 hour emergency contact/phone lists. The team should also share the final plan with, and advise suppliers/partners of purchasing's expectations in the event of an emergency. Purchasing's key suppliers/partners can be valuable assets during the recovery from a major disaster. PRACTICE Once the plan is completed, a disaster simulation drill should be carried out. The practice will also ensure that everyone is familiar with his/her role in an actual disaster situation. While a corporate-wide disaster simulation is ideal, purchasing can simulate its own disaster drill without a corporate-wide exercise. Do we have a corporate disaster plan?
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**PRESIDENT**  
SONJA LOVE HESTNES  

*Hello everyone!*

Well, I have a hard time believing that this is November already! Time is flying by and soon it will be the Holidays.

If you missed the Seminar in October, what a very educational and entertaining seminar with Mark Grieco on Contract Law. He made a rather dry subject very interesting and relative.

Good Job Ben in getting us such a high caliber speaker.

Did you know that there is a new certification? A Certified Supply Management or CSM™ is now available through ISM for those who are interested in certification, but do not meet the requirements of a four year degree. Please see below for frequently asked questions:

See you at the next Pro-Development meeting!

What is Certified in Supply Management™ (CSM™) qualification?

The Certified in Supply Management™ (CSM™) is a qualification that tests ISM’s internationally recognized, supply management body of knowledge. The CSM™ Exams cover the same supply management body of knowledge as the CPSM®. In response to feedback from both individuals and corporate leaders, the CSM™ was developed to provide an option for those in supply management who may not meet the degree requirement for the CPSM®.

What is the difference between the CPSM® and the CSM™?

Both credentials cover the expanded supply management body of knowledge. The CPSM® requires a bachelor’s degree from a regionally accredited institution, or international equivalent. The CSM™ offers those who do not meet the CPSM® bachelor’s degree requirement a way to demonstrate their mastery of the supply management body of knowledge.


What are the criteria for the CSM™ qualification?

* 3 years full-time, professional supply management experience (non-clerical, nonsupport) with at least an associate’s degree from a regionally accredited institution, or international equivalent; OR 5 years full-time, professional supply management experience (non-clerical, nonsupport)
  * Pass 3 CSM™ Exams OR if you are a C.P.M. in good standing, pass the Bridge Exam.

"Regionally accredited” means your associate's degree was earned from an institution recognized by one of six U.S. accrediting organizations listed with the Council for Higher Education Accreditation (CHEA) (http://www.chea.org/Directories/regional.asp):

The CSM™ qualification emphasizes major segments of the supply management profession. By encouraging the entire team to pass the CPSM® or CSM™ Exams, an employer ensures the supply management team masters the common body of knowledge and performs from a consistent foundation.

Be sure to sign up to receive certification updates <http://www.ism.ws/Certification/CertNewQualForm.cfm?action=Join>.

If you have questions or comments, contact ISM Professional Credentials at: certification@ism.ws.

Sonja Love-Hestnes  
President
Director of Education
BEN MILAM, CPPM, C.P.M.

I don’t know how many times I have heard the phrase, “WOW, what a conference” or words to that effect during the past days. I think everyone was excited with the content of the conference and the speaker. We all deal with attorneys from time to time as part of our work, but it is rare to find an attorney that really understands what we as well as Attorney Mark Grieco. To emphasize the importance of contract law and what we do, Mark asked the question; “What is the difference between what you do and what I do?” He answered his own question with a laugh and “I make more money.” That is no secret to most of us who deal with the nuances of contract language on a daily basis. Sometimes we really need to be attorneys. As a minimum we must be well versed in the law.

Unfortunately we had to turn several folks away who really wanted and needed more information on contract law. We don’t normally bring a speaker back so quickly, but we are working to get Mark back to do a second session in the spring of next year. More to follow.

November 3, 2011 Pro-D Meeting: Our topic for this month is Disaster Logistics Planning. Tony Lazenby has been involved with Disaster Planning for 25 years and currently serves on the Emergency Operations Center for the Municipality of Anchorage. Tony will discuss emergency planning for you and your family as well as procurement planning necessary for business sustainability for your employer.

Save the Date, October 24-26, 2011: By the time you receive this, the 68th Annual Pacific Northwest Purchasing Conference in Portland, Oregon will probably be over. I only post it here to say THANKS to the 22 people from Alaska who are registered to attend. That is more than any other state except the host State of Oregon.

At this time I can’t say for sure where the 2012 conference will be but we are still hopeful to have it in British Columbia. In years past we rotated to BC about every 5 years. 2013 will be in Spokane, Washington and 2014 back to Anchorage, Alaska.

Food for Thought: We should all take a lesson from the weather; It pays no attention to criticism.

Tony Lazenby
Anchorage Neighborhood Health Center
Manager-Purchasing, Facilities, Emergency Operations

Tony Lazenby has been actively involved in emergency preparedness and response for 25 years. He earned Certified Hospital Emergency Coordinator from the Medical College of Georgia in 2009. He is currently an active member of the American Society for Healthcare Engineering (ASHE), the Alaska Society of Healthcare Managers and Engineers (ASHME), the Joint Medical Emergency Preparedness Group (JMEPG), the Alaska Partnership for Infrastructure Protection (APIP) and the Municipality of Anchorage/Emergency Operations Center (MOA/EOC) and he is the Treasurer of the Board of the Alaska Primary Care Association (APCA). Tony also serves as Secretary to the Board of NAPM AK. and has been an active member since 2009.
Greetings~

Happy Thanksgiving everyone!!

Here’s a brief update on my activities:

Northwest Purchasing Education Council

As I write this I am a few days from leaving for the Pacific Northwest Purchasing Conference in Portland. The plans have come together very nicely and I think it’s going to be a great conference. Attendance looks to be very, very good!! I’ll have a report on the conference next month.

There is no host for the 2012 conference, but there have been some preliminary discussions about jointly participating with the Purchasing Management Association of Canada who has a conference in British Columbia next fall. Stay tuned for news on that. On the good side, NAPM -Spokane has been approved as the host of the 2013 conference and NAPM-Alaska has been approved for the 2014 conference.

Marlys

As you read this newsletter article, most of the board will be in Portland attending the 68th annual Pacific Northwest Purchasing Conference. We hope to come back with new ideas for our affiliate, possible future speaker opportunities and the chance to let other affiliates know that Anchorage will be hosting the 2014 conference.

Please Welcome Our Newest Members:

Robert M. Walker, Supply Warehouse Supervisor for Alaska Railroad
Adam Horton, Operational Procurement Manager for BP
Diana Teel, Purchasing Agent for ANTH (Alaska Native Tribal Health Consortium)

Please Welcome the Following UAA Student Members:

Angelo DeJesus
Gretchen M. Rickard
Tulio A. Perez
Amanda K. Winkelman
Jesse R. Richardson
Bryan C. Medina
Alexander L. Kraft
Irina V. Dudina
Forest S. Platzen
Christine Kim
Mara M. Machulsky
Banner M. Romenesko
Laura T. Rombach

We look forward to seeing you at our next Pro-D dinner meeting and hope to share a lot of what we came back with from the Portland conference! ☺

~ KAT ~
WHAT’S HAPPENING!

THURSDAY NOVEMBER 3d

DISASTER LOGISTICS PLANNING

TONY LAZENBY

Westmark Hotel

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: Mike Lankford, CPSM Phone (907) 552-5362 fax (907) 552-7497 email: michael.lankford@elmendorf.af.mil