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NESCON 2016: 'Making Procurement Better for the Future'

By Susan Avery

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Despite what procurement and supply management professionals are hearing this election season, the U.S. economy is doing well.

That's the word from Jeffrey B. Carr, President and Economist at EPR in Williston, Vermont, speaking recently to attendees at the New England Supply Chain Conference (NESCON) at the Best Western Royal Plaza Hotel and Trade Center in Marlborough, Mass.

In his breakfast keynote, "Economic Outlook—A New England Perspective," he explained that the U.S. economy has grown for 88 months straight, and if it continues to grow after the election, the expansion will be third longest since World War II.

Carr pointed to these factors that support the economy: a low unemployment rate and good stock market. "Consumer confidence is higher than at the beginning of the Great Recession," he said. "This is really good news. Consumers drive 70% of the economy. We especially love the millennials who replace their phones."

Other factors that contribute to the upturn include low interest rates and energy prices. Low energy prices benefit some sectors of the economy and help keep the inflation rate down. On that, he said, "Next year, energy prices may find their bottom."

Still the pace of economic growth is slow. Carr explained that "student debt is affecting many sectors including housing," there's "way too many long-term unemployed" and while "manufacturing came back (since the recession), we've lost ground in the past 12-18 months." Also, the strong U.S. dollar "is hurting exports in the U.S."

"But, we don't see any of the normal precursors of an economic downturn," he said.

As for the New England economy, Carr said that while it's been on a "positive upward trend the past seven years, it is lagging the U.S. economy at bit." Factors affecting the New England economy include "good construction activity" and "headwinds facing manufacturing," one of which is the strong dollar.

With that in mind, procurement and supply management professionals attending NESCON could choose to participate in education sessions from eight tracks including operations management, supply chain risk management, logistics and negotiation throughout the day.

In "Negotiation 101," Mary Kachinsky, Vice President, Strategic Sourcing and Operations at FORMA Therapeutics, and Brian J. O'Connor, Global Director, Supply Chain Management at Lonza Biologics, presented "Basic Elements for Negotiation Success."

As O'Connor sees it, "principles and relationships drive the negotiation process, and listening skills are most important for success." He explained that procurement professionals going into negotiations have "to understand the needs of both parties, and use the information to develop a negotiation plan."

Kachinsky added that procurement needs to remember to take the emotions out of the negotiation and focus on the problem, "achieving outcomes while keeping the relationship amicable."

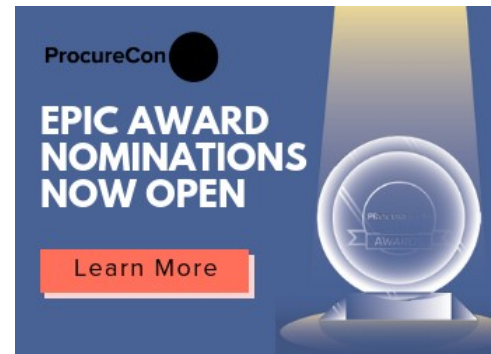
O'Connor also suggested that procurement professionals take notes of the negotiation as it occurs to have a written record of agreements made during the process.

Another session in the track took a different angle. In "Advanced Negotiations," Jonathan Hughes, Partner, Strategic Sourcing and Supply Chain Management Practice Leader at Vantage Partners, looked at "Creating Leverage with Single and Sole Source Suppliers."

Calling himself "a big fan of fact-based negotiations," he said that "knowing the facts cold and presenting them helps creates leverage that leads to breakthroughs."

Sole source suppliers have all the leverage and know it, with some not negotiating at all, he said. Like O'Connor and Kachinsky in the earlier session, Hughes suggested taking a problem-solving approach to negotiations with sole suppliers. "It's different from bargaining," he said. "The outcome is good for both the buyer and the supplier."

Again, communication and relationship-building skills are key to successful negotiations. "Throughout the negotiation, always think of options," he said. "Think creatively."



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During the luncheon keynote address, "Cut Through the Hype—A Fresh Approach to ERP Selection," Andy Practico, International Business Development Manager at Synergy Resources, told the group, "The whole point of evaluating ERP software is to uncover the truth." That said, he laid out the process in five simple steps:

- Justify the need for an ERP system first.
- Document only critical requirements.
- Speak to unbiased users.
- Ask unbiased users about costs.
- See the software without a trainer.

At lunch also, Diane Cotter, one of the conference co-chairs, presented Kenneth B. Glasser, Conference Chair, with the [2016 NESCON Supply Chain Hall of Fame Award](#).

The nomination/steering committee selected Glasser for his "dedication to the profession, as well as his continuing ability to unselfishly lead and volunteer on boards and committees, which have made a significant impact on the development of the supply chain profession in the Northeast," and place him "in esteemed company with the high standards" set by previous NESCON Supply Chain Hall of Fame winners.



Receiving the award, Glasser thanked everyone for attending and helping to make NESCON successful as well as his family for their support during his time chairing the annual event. "I'm proud to be a part of helping to make the profession better for the future," he said. As he steps down from the role, he promised that "the event will continue to grow and get better." Cotter will take over as NESCON Conference Chair for 2017.

NESCON 2017 is scheduled for Monday, October 2.

NESCON is made possible by an all-volunteer team of organizers representing such organizations as APICS Boston Chapter, APICS North Shore Chapter, New England Roundtable: Council of Supply Chain Management Professionals (CSCMP), Northeast Supply Management Group (NSMG), a special interest group of ISM, APICS South Shore and ISM-Greater Boston.

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Also on hand at the event were career counselors Leslie Gabriele and Gerry Fernandez of Gabriele & Company to work one-on-one with individuals onsite who are between jobs, need a career assessment or had job strategy questions.

Also see the *My Purchasing Center* article, [Risk Experts Advise Procurement: 'Know Your Supplier'](#)



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Susan Avery is Editor-in-Chief at My Purchasing Center. She writes articles, blogs and white papers and manages and creates other content for the online procurement and supply management publication. She produces and moderates roundtable discussions, podcasts, webcasts and video interviews. Susan has 30 years experience covering procurement and supply management for Purchasing magazine and Purchasing.com.

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