

2011 Annual Report

CAPS Research

Shaping a Profession

25 Years of Research Excellence



Jointly Sponsored by the Institute for Supply Management and
the W.P. Carey School of Business at Arizona State University

Delivering value Impacting practice Partnering with business

25 Years of Impact:

- Over 300 large, global firms as corporate sponsors
- Over 90 in-depth focus studies on critical topics
- Hundreds of benchmarking reports on over 20 industries/topics
- Global research events across the U.S., Europe and Asia
- Partnerships with faculty from 30 leading universities
- Online access to 1,000+ documents providing best practices, assessment tools, case studies, and expertise

What has set us apart from the competition — and continues to permeate all our efforts — are our careful and credible research methods, research reputation, and our mission to deliver that research without bias.

Together with Arizona State University, the Institute for Supply Management and the executives from our sponsor companies, CAPS Research is poised to continue shaping the profession well into the future.

Letter from the Executive Director

Twenty-five years in business! What a perfect point in the chronicle of CAPS Research to look back at what we have accomplished and to map our plans for the future.

Our organization started with a small but powerful idea shared by Dr. Harold Fearon, professor of purchasing at Arizona State University, Jerry Baker, the CEO of NAPM (now ISM), and John Kraft, the dean of the business school at Arizona State University. In the beginning, CAPS Research had only a few supporting companies — but we had high hopes and big dreams, and we persevered.

With that hopeful start in 1986, CAPS Research was on its way to becoming a premier research organization. Why? CAPS Research believed that supply management executives could greatly improve an organization's performance if they had credible and practical research results to help guide and support their decisions. That belief continues to be our most compelling story. It continues to direct our research activities, and today, as companies are searching for new strategies, best practices, and trustworthy benchmarking to help guide them through lean times, the work of CAPS Research is even more valuable.

New strategies and best practices that make a difference are evident in the focus studies we published in the past year. *Supplier Relationship Management: An Implementation Framework* and *Innovation Sourcing: Contributing to Company Competitiveness* both detail what companies can do to improve performance in these critical areas. Recently we launched a new project, *Value Chain Strategies for a Changing Decade*, that will examine the defining strategies in supply management for the years ahead. We will publish the results from this important project in installments, so that the new ideas and insights reach our audience in a timely fashion.

Just two years after CAPS Research began, benchmarking was added to the portfolio, with a report on the petroleum industry. Since then our benchmarking has become the “gold standard” for data. This past year, we completed more than 30 benchmarking reports, including cross-industry metrics, industry-specific reports, and SnapShots Reports, a new product that delivers fast insights to time-sensitive issues. Recently, we partnered with the Electric Utility Industry Sustainable Supply Chain Alliance on sustainability metrics for the utility supply base. We believe that the resulting metrics on supplier performance are applicable across many industries, and we are working to extend their application.

In April we formally celebrated our silver anniversary at our 22nd Annual Executive Roundtable, with presentations from invited guests and senior executives on the current challenges of the global economy. CAPS Research continues its own global activity, especially in China and Europe. In June, we returned to Shanghai for the 14th Annual Asian Executive Roundtable to explore supply strategies in China and the greater Asia region. Our first Asian Executive Summit was held in December, jointly sponsored by Fudan University in Shanghai. This conference was targeted to Chinese companies, was conducted entirely in Mandarin, and helped bring the message of modern supply management to many Chinese suppliers of international firms. We also continue our research activities in Europe, with solid support from the 20 percent of our corporate sponsors who are headquartered there.

None of our accomplishments of the past 25 years would have been possible without our corporate sponsors and I thank them for their support through the years. Without them we would have remained only a good idea. And for their steady guidance this past quarter-century, I thank all of the supply executives who have served on our Board of Trustees. Special thanks goes to Tim Fiore, current Chair of the Board, who gives generously of his time to CAPS and who is a trusted and astute advisor to this grateful Executive Director.

On to the next 25 years!

Regards,

Phil Carter

Executive Director



**Phillip L. Carter,
D.B.A.**

Executive Director
CAPS Research

Harold E. Fearon Chair of
Purchasing
Arizona State University

Letter from the Chair



Timothy R. Fiore,
CPSM, C.P.M.

Chair, Board of Trustees
CAPS Research

Former Senior Vice President,
Supply Management
Terex Corporation

As CAPS Research comes to the end of its 25th year, it's a good time to reflect on the current state of affairs for our profession and what the future holds for supply chain executives. After many years experience in the field, my perspective is that we continue to find ourselves in a strong position to impact our companies.

In our current situation, the economic recession has put pressure on many facets of our business, making it increasingly more difficult to plan and execute. Dramatic shifts in the global business landscape are changing the way many organizations do business. Fluctuating currency and values and commodity prices and the rapid consolidation of suppliers have had dramatic impact on some organizations. There are also new levels of complexity around managing supply chain risk, multiplying compliance requirements, talent recruitment and retention, succession planning and more.

Underlying all these challenges are the demands on the CPO to continue to support the globalization of our companies and supply chain. We must develop people and processes that can deal with multiple cultures, international laws, and time/travel constraints and demands.

On the upside, and perhaps as an opportunity hidden in the difficult economic times, we find that the supply function is more vital now than ever in moving our companies forward and helping create competitive advantage. The fundamental core of the supply organization is very secure. As CPOs and supply professionals, we bring opportunities to access innovation, release cash, and generate profit for the company. The top leaders of forward-looking, well-run companies look to supply chain management to have a clear voice in the organization.

What is incumbent on us, therefore, is to continue navigating successfully through the complex challenges we face, while simultaneously driving a strategic vision and practice dialed in on building a world-class, value-rich supply chain. Because we have a seat at the table that is critical to our companies, we need to make sure we make the best possible decisions at all times.

[This is where CAPS Research is an indispensable resource.](#)

For trustworthy, unbiased research and benchmarking data that draws from business topics vetted by CPOs, CAPS Research is unmatched in the industry. It provides the strategic insight and foresight that are out in front of today's issues and that supply executives need in order to make our important business decisions. CAPS Research also provides the platform for CPOs and supply professionals to come together to dialogue with peers at their exceptional roundtables and workshops.

Its strong relationship with the Institute for Supply Management and the W. P. Carey School of Business at Arizona State University, coupled with intellectual and financial capital from our Sponsor Companies, enable CAPS Research to bring additional resources and full value to the profession.

There is no other research organization that is more dedicated to supporting supply chain management. CAPS Research has shaped our profession for 25 years. I challenge and encourage you to take advantage of CAPS Research to help you build the success of your supply organization well into the future.

Sincerely,

Tim Fiore

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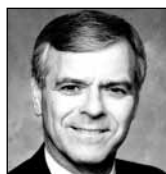
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CAPS Research gratefully acknowledges its parent organizations, the Institute for Supply Management and the W. P. Carey School of Business at Arizona State University, whose combined support covers the majority of administrative and fundraising costs.

Platinum: \$25,000

We are especially grateful to our Platinum Sponsors, whose generous contributions greatly enhance the mission of CAPS Research in developing the field of supply management. CAPS Research provides Platinum Sponsors with complimentary seats at both of our premier events, the International Executive Roundtable for Chief Procurement Officers, and the Best Practices Workshop for Senior Managers. We benefit not only from their commitment but from their expertise in supply management in evidence at these organizations.

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We are very grateful to the corporate sponsors below, who provide \$15,000 annually to ensure access to Knowledge Central and participation in the global Executive Roundtables, Best Practices Workshops, and Critical Issues/Partnership Forums.

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We thank the following organizations that have given significant support for specific benchmarking research projects

American Express

Cummins Inc.

DOE

Electric Utility Industry Sustainable Supply Chain Alliance

Intel Corporation

Investment Recovery Association

Nexen

Summary of Financial Information

STATEMENTS OF FINANCIAL POSITION YEARS ENDED AUGUST 31, 2011 AND 2010*

	2011	2010
Current assets:		
Cash	\$ 200	\$ 200
Money market investments	1,857,287	2,055,396
Accounts receivable	105,000	40,500
Prepaid expenses	18,265	22,304
Total current assets	\$ 1,978,752	\$ 2,118,400
Property and equipment, net	76,621	108,010
Total assets	\$ 2,055,373	\$ 2,226,411
Current liabilities:		
Total current liabilities	\$ 120,421	\$ 429,782
Net assets	1,934,952	1,796,628
Total liabilities and net assets	\$ 2,055,373	\$ 2,226,411

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED AUGUST 31, 2011 AND 2010*

		Percent of Rev/Exp		Percent of Rev/Exp
Support and revenue:				
Contributions	\$ 2,007,272	88%	\$ 1,912,695	92%
ISM cash contributions	113,150	5%	0	0%
Event revenue	164,100	7%	170,932	8%
Investment income	951	0%	2,497	0%
Total support and revenue	\$ 2,285,473	100%	\$ 2,086,123	100%
Expenses:				
Research	\$ 1,618,858	75%	\$ 1,784,408	79%
Fundraising	196,101	9%	191,381	9%
Administrative	332,190	15%	290,583	13%
Total expenses	\$ 2,147,149	100%	\$ 2,266,372	100%
Changes in net assets	\$ 138,324		\$ -180,249	
Net assets, beginning of year	1,796,629		1,976,877	
Net assets, end of year	\$ 1,934,953		\$ 1,796,628	

*The balances include funds held by Arizona State University that are not included in the combined financial statements of the Institute for Supply Management™.

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