

ANNUAL REPORT 2012



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

Our Mission...

CAPS Research, working in partnership with its global network of executives and academics, is dedicated to the discovery and dissemination of strategic supply management knowledge and best practices.

More than 25 years of shaping the profession:

- **Over 300 large, global firms as corporate sponsors**
- **Nearly 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 30 leading universities**
- **Online access to 1,200+ 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, our 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

I want to thank our corporate sponsors who supported us through 2012. I have every confidence that our research, which they support, resulted in information and insights that had value in the management of their businesses.

Late last year we undertook a multi-year, multi-topic research enterprise called “Value Chain Strategies for the Next Decade.” This enterprise was undertaken with a new management model that was designed to reduce both cost and time for research projects. In 2012 we completed the first project, Risk Management in the Extended Supply Chain, which resulted in a Focus Study Report, a Case Book, an Executive Report, and Executive Brief, the latter two documents for the busy executive. Today we have three more projects under way using this new design: Value Chain Collaboration; Global Value Chains: Emerging Outsourcing and Supply Strategies, and The Environmentally Sustainable Value Chain. Our thanks go out to the many companies and supply executives who helped to support these projects and the several researchers who worked with us.

We continue to grow our footprint in China with research projects, benchmarking, and research events. We signed a memorandum of understanding with the Chinese Federation of Logistics and Purchasing to conduct parallel cross-industry benchmarking studies in both countries. We held our first Best Practices Workshop (conducted in Mandarin) in partnership with Fudan University, to encourage more professionals and companies from the region to engage with us. We funded a research study, again with Fudan University, focused on How Chinese Companies Purchase. Significantly, two major Chinese companies, Sinopec and Huawei Technologies Company, signed on as corporate sponsors. And last, but not least, we held our 15th Executive Roundtable in Shanghai.

All the members on our Board of Trustees deserve much credit for keeping us focused on our goals, helping us with recruiting new sponsors and supporting our research projects. I am especially grateful to the chair, Timothy Fiore, SVP and CPO, Thyssenkrupp NA, for his counsel and leadership. I particularly thank Paul Novak, former CEO of the Institute for Supply Management (one of our parent organizations), for his unflinching support of CAPS Research during his 15 years on the Board. I welcome his successor, Thomas Derry, to the Board. Lastly, I thank Robert Mittelstaedt, Dean of the W. P. Carey School of Business (our other parent organization) for his continuing support of CAPS Research.



**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,
C.P.M., C.P.M.**

Chair, Board of Trustees
CAPS Research

Senior Vice President, Supply
Management, CPO and member
of Executive Board

ThyssenKrupp NA

While the 2012 calendar year witnessed some signs of improvement in the U.S. economy, most signs point toward a U.S. business environment that’s “not out of the woods” yet. Europe continues to face difficulties especially in the single currency zone and China, Brazil, and India have seen significantly slower growth. Next year will be another challenging year for supply management professionals.

Naturally, this puts increased pressure on executives and leaders in global supply chain and procurement. As the profile and importance of our profession increases in the organization, so too do the expectations. Our organizations look to us to bring solutions to the table – to free up cash; mitigate risk; manage an increasingly complex global supply chain; collaborate with suppliers to drive innovation, plus more. In a word, they expect us to deliver more **value** to the organization and get more for our money.

Even though the day-to-day demands and short-term obstacles we face in our jobs can be all-consuming, it’s more important than ever before that we take time to *think* and *plan* around our strategies for delivering long-term value.

CAPS Research is the organization to turn to when we need clarity about *what* should drive our thinking and planning. With direction and advice from its Board of Trustees and Sponsor companies, CAPS Research is focused on the big picture of what’s happening in supply management and where it’s headed.

Our focus studies are forward-looking and our benchmarking will continue to provide the information you need to stay a leader in your industry sector. Many executives, myself included, benefit from CAPS Research’s unbiased approach to research, in addition to top-notch peer-to-peer networking; a world-class CPO-only forum; and confidence from knowing CAPS Research is supported by global companies, the Institute for Supply Management, and the W. P. Carey School of Business at Arizona State University.

If you’re not already with a sponsor company, I encourage you to take a look at what CAPS Research has to offer. CAPS Research provides this invaluable service only with the full support of you, the supply management professional.

Sponsors

Corporate Sponsors

Corporate sponsors supporting the research program annually with a \$25,000 contribution (our Platinum Sponsors) or with a \$15,000 contribution are ensured access to all research results through our website, and receive invitations to participate in the Executive Roundtables, Best Practices Workshops, and Critical Issues/Partnership conferences.

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 supply management expertise in evidence at these organizations.

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\$15,000

We acknowledge the generous support of 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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Contributors to Special Benchmarking Projects

We thank the following organizations that have given significant support for specific benchmarking research projects in 2012.

DOE

Electric Utility Industry Sustainable Supply Chain Alliance

SAE International

Sonoco Products Company

Parent Organizations

CAPS Research greatly appreciates 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.

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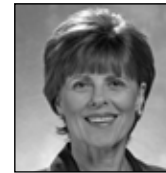
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Summary of Financial Information

STATEMENTS OF FINANCIAL POSITION YEARS ENDED AUGUST 31, 2012 AND 2011*

	2012	2011
Current assets:		
Cash	\$ 200	\$ 200
Money market investments and funds at ASU	1,931,408	1,857,287
Accounts receivable	106,488	105,000
Prepaid expenses	27,041	16,265
Total current assets	\$ 2,065,137	\$ 1,978,752
Property and equipment, net	60,926	76,621
Total assets	\$ 2,126,063	\$ 2,055,373
Current liabilities:		
Total current liabilities	\$ 196,162	\$ 120,421
Net assets	1,929,901	1,934,952
Total liabilities and net assets	\$ 2,126,063	\$ 2,055,373

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED AUGUST 31, 2012 AND 2011*

		Percent of Rev/Exp		Percent of Rev/Exp
Support and revenue:				
Contributions	\$ 1,890,710	84%	\$ 2,007,272	88%
ISM cash contributions	226,300	10%	113,150	5%
Event revenue	142,068	6%	164,100	7%
Investment income	132	0%	951	0%
Total support and revenue	\$ 2,259,210	100%	\$ 2,285,473	100%
Expenses:				
Research	\$ 1,780,859	79%	\$ 1,618,858	75%
Fundraising	206,075	9%	196,101	9%
Administrative	277,328	12%	332,190	15%
Total expenses	\$ 2,264,262	100%	\$ 2,147,149	100%
Changes in net assets	\$ (5,052)		\$ 138,324	
Net assets, beginning of year	1,934,953		1,796,629	
Net assets, end of year	\$ 1,929,901		\$ 1,934,953	

*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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