

# PT/MO EXPRESS

Princeton Trenton Monmouth Ocean Chapter ([www.apics-ptmo.org](http://www.apics-ptmo.org))

<<<< Check out our Chapter Website: [www.apics-ptmo.org](http://www.apics-ptmo.org) >>>>

April, 2003

Volume 6 Issue 7

## Professional Development Meeting, April 16, 2003

### "It's all About the Dollars"

Presented By:

**Nick Fiore, CPIM**



How upper management interprets the Sales & Operational Plan?

How many middle & front line managers in corporate America today know what the financial sales plan equates to in sale dollars?

We in operations always know the units shipped and produced but how many know the value? This presentation will be a Sales and Operations Plan as seen through the eyes of the executive committee. With the use of the "Scorecard Management" will measure the results

monthly, quarterly, & year-end (Actual Vs Plan).

#### About The Speaker

Nicholas Fiore, CPIM currently holds the position of Senior Planner & Inventory Management Specialist with a major Diagnostics company. Over the last 20 years he has held various positions in Sales and operations

management with Fortune 500 companies mainly involved with manufacturing of consumer products. While in Consumer products he worked closely with Top Management in sales and operations planning and continues to do so in his present role. He has been a APICS member since 1987, holds a Certification in Materials Management and Masters Degree in Industrial Management and recently has become an Adjunct Professor with Essex County College.

#### INSIDE THIS ISSUE:

Officers	2	Gerry's Gems	4
Event Calendar	2	Membership Corner	5
Top Mgt. Night	7	Membership Campaign	6
Presidents Message	3	New Members	5
From the Desk of			
George Lazarides	3		

### Mid Atlantic Supply Chain and Resource Management Symposium

Brought to you by

### Congress for Progress 28

and sponsored by the

MID ATLANTIC CHAPTERS of APICS REGION IX

**APRIL 9, 10, & 11, 2003**

**Sheraton, Atlantic City**

## President's Message: By Blair R. Williams, CFPIM, Jonah

Hi PTMO members,

Spring is here and it is delightful. Soon the trees will bud and the flowers will bloom. A magical time of the year.

Your Chapter is also blooming. We are conducting education classes at U.S Rhodia, Firmenich and Ocean Spray – all three companies in our Chapter. If you need in house education, please contact our VP Education and find out how we can cater to your needs. On June 18<sup>th</sup> we have our **Top Management night** at the Ramada Inn in East Windsor. We have two outstanding speakers. Mr. Dale Dvorak, Senior Vice President of Shiseido North America, will speak on 'Operations Strategies in International Competition' and Ms Karen Alber, Vice President of Pepsi-Cola (ex Supply Chain VP of Quaker Oats), who will speak on 'How to develop a Competitive Supply Chain'. **Mark this date on your calendar.** You will

have a rare opportunity to hear how two top executives plan to meet their competition

April's PDM on the 16<sup>th</sup> will be designated as **New Members Night**. All recent new members will be honored by being guests of our Chapter. Please see Bob Franzblau's membership letter. New members please attend and meet your Chapter Board of Directors and your fellow members.

Lastly there is Membership. We are holding our own, by remaining level. But we are putting a lot of effort. We need help from you. Please spread the word. Tell friends and company associates the benefits you derive from membership. In these hard days, an APICS network is critical, a CPIM education and certification is even more valuable.

I hope all of you had a good Win-



ter and are ready to enjoy Spring and your PTMO Chapter

Stay well and be gentle

Blair Williams  
blairrw@att.net  
609-860-5856

PS Remember Congress for Progress at Atlantic City on the 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> of April. It represents outstanding value

## From the Desk of George Lazarides

Our chapter of APICS has been contacted by several local companies in the area for some general and customized supply chain education. Let us know what your needs are and we'll put together a program for your company too.

We can do this at your site day or evening.

If you'd like to get a head start toward your certification, you can check out the online CPIM exam review program that Weber State University offers. Telephone number (800)848-7770



ext 6214..or e-mail Helen Handley at [hhandley@weber.edu](mailto:hhandley@weber.edu).

### Special Notice

" Your PTMO Board of Directors passed a resolution to admit ALL unemployed members and all members of the teaching profession, FREE, to any certification class conducted by the chapter. You will need to pay for your participant books only. Please avail of our offer to add value to you, our membership. Please see the courses scheduled for Fall 2002 under Education"

Blair Williams

Questions or comments can be directed to Gerry by phone at 609-497-6400 or by e-mail at najarian@remgrp.com

Here's another question for you (last month's question was about Henry Ford): what inspired Toyota management to develop their famous "Kanban" pull system? Hint – it has to do with food. Pull systems are at the heart of pull systems, so let's examine them in detail and then answer this month's question.

"Going forward by moving backward" is how one author described a "pull system." The imagery of "moving backward" suggests a flow of information starting from the end and going to the beginning of the operation and, materials "going forward" as they are "pulled" through the factory. What are important in pull systems is that demand at the last cell controls the process and that as demand reduces the buffer inventory in the final cell, a signal is sent to the preceding operation to replenish the buffer. This buffer inventory diminution and replenishment repeats itself in preceding operations all the way back to raw materials storage many times daily. Here's how it works.

#### THE KANBAN APPROACH

In a system that triggers production in backward motion, a system of signals is the means to communicate the replenishment of goods. The signal media in a "classic" Kanban system are cards and containers. While there are many variations on the visual Kanban theme, the most instructive is the Toyota system. The Toyota system utilizes a specifically sized container for each part that cycles back and forth between the producing department and the using department (each may have specific store-keeping areas). Two cards (kanban) are used: a production kanban and a conveyance kanban. These kanban specify the part number, the container capacity and other data.

When a using department withdraws a container of parts, the conveyance kanban previously attached to it by the producing department is detached and placed in a collection box. When the most recently emptied container for the same parts is ready to be conveyed to its producing department, the conveyance kanban in the collection box is attached to it. At the time this empty container is received by the production department, the conveyance kanban is detached and attached to a recently manufactured full container of those parts which is then moved to the using department. The removal of the full container out of the producing department triggers production through removal of a production kanban attached to it which is placed in a collection box. The production kanban in the collection box

are transferred hourly to a dispatch box and serve as the authorization for the foremen to produce those parts within a specific time frame and fill an empty container. When the container is filled the production kanban is attached to it and the container is placed in a store area awaiting transfer to the using department. This process repeats itself over and over again.

There are three simple rules to control this Kanban system:

- Producing departments may not make parts unless there is a production kanban in the dispatch box authorizing production.
- There is precisely one conveyance and one production kanban for each container.
- The number of containers are controlled by manufacturing management and are kept to the smallest possible quantity in size. (Toyota management must approve the use of a container holding more than a tenth of a day's supply.)

Kanban systems are the conceptual model for pull systems in other environments and in fact numerous variations exist. There are single card Kanban systems; some systems use metal plates instead of cards; one company uses numbered ping pong balls; General Motors sends Kanban signals via computer. No matter what the variation on the signal, the principle is the same -- the using department tells the producing department what to do based upon demand at the beginning of the chain, a sale of the product. Hence the name, ***pull*** system.

#### A SUPERMARKET?

\_\_Think supermarket when you think pull system. Yes, that's the answer to the question at the beginning of this column. Toyota executives visited an American supermarket and observed that when customers withdraw goods from the small stocks on supermarket shelves, the stocks are replenished in small quantities by a stock clerk who checks the shelves and replaces only the quantity which was taken. The first pull signal came from the customer who withdrew the inventory and told the stock clerk how much to replenish. The Toyota executives reasoned that this supermarket concept could be adapted for management of a factory on a simple visual basis.

## Membership Corner

### Director of Membership: Bob Franzblau

Our April PDM will feature a special recognition to our newest PTMO members who joined APICS PTMO chapter between the dates of July 2002 to the present. We encourage all members, especially the newest members to join our chapter to come to our April 16<sup>th</sup> Professional Development Meeting (PDM).

Below acknowledges our *newest* members as of the March listing who have either transferred into our chapter, became reinstated or have recently joined APICS for the first time\*:

#### March 2003

\*Allen J Gonzalez Avebe America Inc  
\*Dale Dvorak Davlyn Industries Inc  
Rich Koberlein Davlyn Industries Inc  
Bernie Hvozdovic Davlyn Industries Inc  
James Dong Davlyn Industries Inc  
Gary Deidloff Davlyn Industries Inc

As mentioned above, our April chapter meeting is going to be special for our new members. We want to acknowledge all of our new members by showing some additional recognition. There will be specific tables set aside for the new members and we want to present each of our new members with an official APICS Membership Certificate. We encourage all new members to try to attend this meeting and be recognized as well as learn first hand about some of the benefits of APICS. Members who joined APICS for the first time since July 2002 are asked to try to come early (by 6pm) to meet and chat with our chapter President and other PTMO board members about APICS benefits as delivered by our PTMO chapter, (some are summarized below):

The source of knowledge and expertise for manufacturing and service industries across the entire supply chain in such areas as materials management, information services, purchasing and quality.  
the leading provider of high-quality, cutting-edge educational programs that advance organizational success in a changing, competitive marketplace  
a successful developer of two internationally recognized certification programs, Certified in Production and Inventory Management (CPIM) and Certified in Integrated Resource Management (CIRM)  
a source of solutions, support, and networking local chapters, workshops, symposia, such as the annual APICS International Conference and Exposition and the local Region 9 Supply Chain and Resource Management Symposium - Congress for Progress.



I also want to acknowledge and thank the PTMO chapter members who have recently renewed their APICS membership to continue with their APICS education and other chapter benefits:

I want to continue to urge members to provide APICS National with updated membership information which later gets forwarded to us (your local chapter). For those that have recently changed jobs you especially want to update your profile to be sure APICS becomes informed of your new employer and your new work contact information. Please see me for APICS provided forms (prepaid postage) to update your contact information. Keeping your records up to date will help APICS and the

PTMO chapter to serve you better and will ensure that you receive all the benefits of membership. You can also update your profile at the APICS National website: [www.apics.org/](http://www.apics.org/) (go to Members only/ Log In/ Member info./ Member profile).

### **Membership Campaigns:**

Both the PTMO chapter and APICS National are again running simultaneous membership campaigns. An added benefit to each of you members is that for each member you recruit, you are qualifying for both programs.

I have plenty of recruiting type materials available including applications, APICS pamphlets highlighting the benefits, etc. (See below for more Membership campaign details). I must add, your chances of winning in the PTMO raffle drawings are excellent!!

Below is a summary of the remaining incentives for the PTMO chapter Membership campaign:

#### **PTMO Member-Get-A-Member Program**

For each new member referral you will be eligible for the *remaining* upcoming drawing:

The \$150 drawing at April PDM with multiple chances to win

Refer 3 or more new members and for each referral over 3, increase your chances in the \$250 drawing on Top Management Night in June 2003

Be sure to put your name and Member ID number on the application and then submit it to: Bob Franzblau or any other PTMO BOD member.

Applications are available by going to the following website to download an application: <http://www.apics.org/downloads/default.asp> and then scroll down to "Membership"

#### **APICS HQ Member-Get-A-Member Program**

You are an important member of the APICS community. As someone who has shown true commitment to the organization, we invite you to participate in the 2003 Member-Get-a-Member program. Your knowledge and track record of APICS support make you an excellent recruiter candidate.

The 2003 Member-Get-a-Member program is in effect now through August 31, 2003, and offers several incentives to recruiters. Not only do recruiters become members of the elite Cornerstone Club, they also receive recognition in *APICS—The Performance Advantage* and are listed on the Web site. In addition, they have the opportunity to win exciting prizes such as APICS Bookstore gift certificates, a Palm Pilot, or digital camera. Visit <http://www.apics.org/recruit/prizes.asp> for a complete list of recruiter prizes.

Recruiters also help chapters meet their 2003 membership goal. Each new member is applied towards the referring member's chapter recruitment goal set by APICS. Chapters achieving that goal receive a complimentary 2003 APICS International Conference and Exposition registration. Visit <http://www.apics.org/recruit/chapters.asp> for information on the chapter component of the 2003 program.

We need you to help us build membership in the APICS community. Utilize your familiarity with the organization and network of colleagues to help us build membership today!

P.S. Participate in the 2003 Member-Get-a-Member program using the download flyers, applications, and other useful recruitment information located at <http://www.apics.org/recruit>. We're counting on your support!

## Top Management Night on June 18th

**PTMO is proud to have two outstanding senior executives present their perspectives on how to compete in today's environment**

### **Operations Strategies in a Global World**

Dale Dvorak,

President and COO Davlyn and Senior Vice President of Operations, Shiseido America Inc

How does a Japanese company, specializing in 'top of the line' cosmetics and skin care compete globally? What Sales and Marketing, R&D, Operations and Customer Service strategies does it adopt to meet the challenges of L'Oreal, Estee Lauder and other such competitive giants? What part does culture play? . Find out from the man who is largely responsible for developing and implementing Shiseido's strategy in North America.

Mr. Dale Dvorak is an Operations professional with over 20 years in experience. After leaving the Army (West Point), Dale worked for Proctor Gamble for 8 years and for Colgate for 13 years. At Colgate he headed up their South American operations. He is an entertaining and insightful speaker

### **'How to develop a competitive Supply Chain'.**

Karen L. Alber, CFPIM,

Vice President, PepsiCo Integration Management Office

These days every organization is facing intense competition. This environment has, in turn, placed increased pressure on their supply chains. In many cases, this has compelled companies to entirely transform their supply chain to a new way of doing business. In her typical energetic and interactive style, Ms. Alber will review how this is being done utilizing real world examples and practical experience. Don't miss the opportunity to hear from this executive!!!!

Karen L. Alber, CFPIM, is Vice President, PepsiCo Integration Management Office. Prior to the merger with PepsiCo, Karen held positions of increasing responsibility with Quaker Oats in Plant Operations, Production Planning, Purchasing, Supply Chain Implementation, Internal Consulting, and Enterprise Systems. Karen's areas of expertise include supply chain strategy, enterprise solutions, change management, performance measurement, process improvement, and supply chain synchronization.

Karen is a nationally recognized speaker at conferences, workshops and industry functions and is often cited in trade publications. She is an active member of APICS, the Educational Society for Resource Management. Karen is the Chairman of the 2003 APICS International Conference

