

PT/MO EXPRESS

Princeton Trenton Monmouth Ocean Chapter (www.apics-ptmo.org)

<<<< Check out our Chapter Website: www.apics-ptmo.org >>>>

September, 2002

Volume 6 Issue 1

Professional Development Meeting, September 18 , 2002

InvPhobia – The Fear of Inventory Reduction

Presented by: Howard Forman CFPIM, CIRM

InvPhobia can strike any organization and paralyze inventory planners without warning. Left untreated it can cause over ordering, high inventory levels, and capacity problems. Planners suffering from InvPhobia can experience nervousness, intense fear, and excessive sweating, especially when attempting to justify inventory levels to management.

Luckily, InvPhobia can be treated through proper use of existing system tools, process improvements, and training. Appropriate treatment can produce long-lasting, permanent relief from high inventory levels without impacting schedule attainment or customer service.

This session will explore how the organization can conduct its own self-diagnosis and heal itself. We will discuss the following concepts:

- How do we identify InvPhobia?



- How can we overcome this phobia?
- What action steps can be taken to reduce inventory?
- Do we need ERP, JIT, or Kanban to achieve results?
- Why do we need to track inventory to prevent a reoccurrence?

About the Speaker:

Howard Forman, CFPIM, CIRM is a consultant with PIM Associates, Inc. Howard has over 25 years of experience in manufacturing and distribution environments, specializing in ERP system implementations, inventory reduction, supply chain manage-

ment, operation improvements, and business process reengineering.

Howard is an active member of the Northern New Jersey Chapter of APICS where he is a Past President and is the recipient of the chapters' "Lifetime Achievement Award." He has spoken at various APICS dinner meeting, seminars and workshops, ERP vendor user conferences, and is a certified CPIM and CIRM instructor. He is a graduate of Fairleigh Dickinson University with a MBA and BS in Business Management.

INSIDE THIS ISSUE:

Officers	2	CP 27	5
Gerry's Gems	4	Feedback	6
Presidents Message	3	Event Calendar	3
From the Desk of		Membership Corner	7
George Lazarides	3	Education	3
Job Posting	6		

The 2002-2003 PT/MO Chapter Officers

Position	Name	Telephone	Email
President	Blair R. Williams, CFPIM, Jonah	(609) 860-6688	blairrw@att.net
Executive V. P.	Fred Cristuado, CPIM	(856) 764-1500	fdccrist@comcast.net
Secretary	Bob Witherill, CPIM	(609) 577-0477	bob.wetherill@dsionline.com
V. P. of Finance	John Christoffersen, CPIM	(732) 577-0893	Jec2242@aol.com
V. P. of Education	George Lazarides	(609) 860-4624	George.lazarides@us.rhodia.com
Director of Programs	Fred Cristuado, CPIM	(see above)	
Event Evaluations	Dave Hollinger, CPIM	(732) 922-8851	Hollingd@aol.com
Director of Education	Drew Nadzan, CPIM	(732) 477-7738	Nadzandnjm@aol.com
V. P. of Membership	Bob Franzblau, CPIM, C.P.M.	(908) 253-7470	franzrt@yahoo.com
Company Coordinators	Jim Brown, CPIM	(732) 418-2437	Jim Brown/P-C@P-C.com
Director of Membership	Joanne Ramsey, CPIM		
Assistant Membership	Minh Vo	(609) 860-4902	minh.vo@us.rhodia.com
College Chapters	John Christoffersen, CPIM	(see above)	
V. P. of Marketing	Anil Mehrotra	(732) 309-0309	Anil-Mehrotra@Intiqua.com
Newsletter Editor	Jim O'Donnell, CPIM, CIRM	(609) 426-9565	joeneck@aol.com
Director of Employment	Gerry Najarian	(609) 497-6400	najarian@remgrp.com
Chairman P. A. C.	John Zoller, CFPIM	(609) 371-3066	Jzoller@SAI.Shiseido.com

Princeton-Trenton/Monmouth-Ocean Professional Development Meeting and Seminar Calendar, 2002-2003

September 18, 2002

Topic: InvPhobia – The Fear of Inventory Reduction
Speaker: Howard Forman, CFPIM, CIRM
Location: Ramada Inn, Hightstown, NJ

March 19, 2003

Topic: Joint Meeting – NAPM
Speaker: Supply Chain Management
Speaker: Gerry Najarian
Location: Ramada Inn, Hightstown, NJ

October 16, 2002

Topic: Warehouse Metrics
Speaker: Jim O'Donnell, CPIM, CIRM
Location: Ramada Inn, Hightstown, NJ

April 16, 2003

Topic:
Speaker:
Location: Ramada Inn, Hightstown, NJ

November 20, 2002

Topic: MFG. In The 21st Century – A View To The Future
Speaker: Rick Titone, CPIM
Location: Ramada Inn, Hightstown, NJ

May 21, 2003

Topic:
Speaker:
Location: Ramada Inn, Hightstown, NJ

January 15, 2003

Topic: Warehouse/Inventory Management
Speaker: Blair Williams, CFPIM, Jonah
Location: Ramada Inn, Hightstown, NJ

June 18, 2003
Top Management Night

Technical:
Topic:
Speaker:
Keynote:
Topic:
Speaker:
Location: Ramada Inn, Hightstown, NJ

February 19, 2003

Topic:
Speaker:
Location: Ramada Inn, Hightstown, NJ

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

Greetings to all APICS members of PTMO

I am honored to be your President. A special thanks to my colleagues for placing their trust in me at my 'adult' stage of life! I am also delighted at having an outstanding Board of Directors.

This year we will **focus** on providing you, our customers, both corporate and individual, with value. We will measure ourselves by our increase in membership and our increase in providing education.

In this context we have started a Chapter Internet forum. Please join by sending an email to forum@apics-ptmo.org with the subject 'Subscribe'. This forum is meant for our members to ask or discuss technical questions and/or make comments.

We have also decided to implement the below policy statement, please read it, especially if it may apply to you or a friend. They will pay for their workbook only. This takes effect for our September education sessions. Please look at our website: <http://www.apics-ptmo.org> where we publi-



cize our future events. Let us know what you would like us to do, so that you can get more value out of our efforts

" 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

From the Desk of George Lazarides

Have you ever thought about getting certified and putting the CPIM behind your name ?

PTMO is making it more convenient than ever. For an investment as little as three hrs a week, you're on the path to certification.

We are very excited about the classes we'll be offering this fall. Classes will begin soon so check out our web site APICS-PTMO.ORG.

For all members of PTMO who are unemployed, your tuition will be paid for by our chapter.

George Lazarides



V.P. of Education
George.lazarides@us.rhodia.com

Certification Education

Register on line: www.apics-ptmo.org

Fee: \$350 includes workbook

Basics of Supply Chain Management

Dates: Sept. 23, '02 through Nov. 18, '02

Location: Shiseido, East Windsor, NJ

Dates: Sept. 26, '02 through Dec. 5, '02

Location: Medicia, Inc., Dayton, NJ

Instructor: John Christofferson, CPIM

Detail Scheduling & Planning

Instructor: TBD

Dates: Oct. 8, '02 through Dec 10, '02

Location: TBD (Monmouth/Ocean Counties)

Instructor: Drew Nadzan, CPIM

Execution & Control of Operations

Instructor: TBD

Master Planning of Resources
Blair R. Williams, C. Eng. (Lon), CFPIM, Jonah

Lean Manufacturing in the New Millennium

By Gerry Najarian

September's Topic: **Lean Measurements – Part One**

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

Blair Williams, has relinquished his column, "Blair's Basics," while he is PTMO chapter president. During this period I will be writing the technical section of our newsletter in a new column on Lean Manufacturing entitled "Gerry's Gems." I hope you will find the column useful in your endeavors to improve operations in your company. Your comments and/or questions are, of course, welcome.

"You get what you measure" is an old saying but is never far from the truth. The old paradigm measurements led us to do the things in the shop and in the warehouse that were the antithesis of lean manufacturing and supply management. So, if you are talking lean and are trying to influence shop floor people to implement lean, then you have to measure what is done in lean terms so that the message is clear. Here are some lean metrics:

Average lot size. In the old paradigm we sought to amortize the setup by having long runs and large lot sizes. Now we will want to measure and report on lot sizes to emphasize how small they can be.

Shop order due date performance: % of orders completed on or before due date. This is the metric on lean scheduling in which we find out if we are scheduling in a manner appropriate to the shop and if the schedule is realistic and taken seriously.

Shortage incidents. The number of shortages of parts/raw materials occurring in a particular time period, usually a week is the measure of the effectiveness of forecasting *not how well the planners are doing*. Planners can only respond to the messages they get from the MRP system (yes, we can have MRP in a lean shop) and that is a function of how well forecasting is done.

Inventory turns. As lean is implemented inventory balance will occur and should be expressed to the

shop management and labor force as inventory turns by category.

- **Finished goods** turns should be increasing as this category of inventory declines. One of the objectives of lean is to manufacture as close to the customer order as possible and not rely on finished goods to insure customer service.
- **Work in Process** turns should be increasing as well as the shop is organized in product cells (more about cells in subsequent newsletters) and lot sizes decline.
- **Raw materials** will likely show declining turns at the outset since the tendency of most non lean shops is to minimize overall inventories by keeping raw materials down. In a lean shop, the idea is to have enough raw materials to insure that customer orders can be manufactured as they come in.

You can see how the inventory will start to rebalance as lean is implemented. Inventory turn metrics tell us if lean is really taking hold.

Average cycle time per line. Much of what lean manufacturing is about is focused on the cycle time it takes a line to make a lot quantity of the goods assigned to that line. Cycle time is defined as the time a run of production takes from the time the previous run ceased production until the time the current run ceases production. You can see that this is a measure of the progress of set-up time reduction, a process that often takes much longer than the actual manufacturing time. An entire column will be devoted to set-up reduction in a future newsletter.

There will be a second column on measurements after we have covered some of the operational aspects of lean manufacturing.

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

Congress for Progress – 27

April 17 to 19, 2002

Baltimore, Md

By Dave Hollinger

When Drew awarded me the door prize of free attendance at Congress for Progress, he didn't tell me I had to submit a report for the newsletter. However, it seems like a very small chore for such a wonderful opportunity.

Certainly one of the best things about the conference was the overall organization. The CP staff was on hand to make registration easy, and offer information. The conference was held entirely in the Wyndham hotel, just a few blocks from the inner harbor. So it was easy to get to the meetings and also to dinner. I liked the idea of starting at noon Wednesday, and ending at noon Friday, so there was time to travel. There were 40 sessions in 6 flights over 4 half-day periods, and the keynote address. So there was plenty of variety to interest anyone involved in manufacturing.

Wednesday, after dinner on our own, Karen Alber, VP of Integrated Business Solutions of Quaker Oats delivered the keynote address, which was, again, a nice scheduling touch. The address was delivered at the Baltimore Aquarium auditorium, followed by a tour of 4 floors of fish, sharks, and information about the aquatic world. Desert was available on the 4th floor overlooking the harbor. Very nice! Karen is a dynamic speaker. It easy to see how she rose to VP, after starting at Quaker Oats as a 2nd shift line supervisor 15 years ago. She described the efforts that will be required to blend Quaker Oats' IT infrastructure with that of Pepsi Cola, following the recent acquisition.

My interests took me to the world of lean manufacturing for 3 of the 6 sessions I attended. Wednesday afternoon, Roy Picacchia demonstrated how 'pull' manufacturing differs from 'push'. Thursday, Bill Latham conducted a similar demonstration, and Friday Bill demonstrated what happens when 'conventional' metrics are applied to a smooth running lean mfg. plant.

Roy used a simple product made from wood to illustrate production of a 'standard' and 'custom' product. The audience formed teams and built to order using conventional techniques. The same teams reorganized their

'factories' and used 'pull' techniques. Bill Latham also used teams to setup an airplane production line, but he used materials that we each have at hand – a sheet of paper.

Roy and Bill showed how lean techniques minimize inventory and increase customer on time delivery. My team doubled production, and while reducing WIP from 113 'airplanes' at the end of the push production down to 3 at the end of the pull simulation. The next day, Bill showed that individual metrics, such as piece-work, applied to a lean team, interfere with the smooth functioning team, and cause an increase in WIP. If you have never participated in a simulation like these, I highly recommend you try it.

Julie Lenzer Kirk discussed how Iams Pet Food doubled production in 5 months without significant capital expenditures, after they were acquired by Proctor & Gamble. P&G wanted to introduce Iams to all of its retail outlets during the same week. She helped the 2 companies integrate P&G's order entry and distribution system, with Iams ERP, along with tight connections to their vendor supply chain. More frequent timed vendor deliveries (as many as 24 per day), plus additional shifts, enabled Iams to receive, and move product to P&G's warehouses so 3000 trucks could deliver product to 25,000 stores the week before the introduction.

Bob Stahl introduced "Demand Management", which he admits is a repackaging of 'forecasting' (the 'f' word). He emphasized the importance of getting sales and operations onto the same set of plans. More importantly, he pointed out, that there is a 'time fence' in the near future where detail forecasting is required, but beyond which, only models should be forecast.

Steve Williams's presentation involved the audience in determining where each company can begin their involvement in e-business. I came away determined to get my client's quotation system on-line.

Thank you Drew, Blair, and the rest of the APICS PTMO Chapter
Dave Hollinger

June Professional Development Meeting Feedback Top Management Night

The Technical Speaker for the evening was Leonard Black, Chief of DEPT-COR/New Jersey Bureau of State Use Industries, Len is a long term member and supporter of our Chapter. We used our standard feedback form. There were 40 attendees of which 29 filled out the form. The Subject received a 8.93 rating, while the speaker received 9.24 for Knowledge and 9.10 for Effectiveness, the Meeting Facilities received 8.86 and the Dinner received 8.93. Of the 29 respondents 21 were Members and 4 were Guests and 1 was a Top Manager, 12 noted that they heard of the meeting from the Newsletter, 5 from Co-Workers and 2 from Company Coordinators. The Keynote or Government Speaker was Assemblywoman Linda Greenstein, Esq.. Linda is the Assistant Majority Leader and sits on three committees: Judiciary, for which she is the Chair, Budget and State Government. The Subject received a 9.00 rating, while the speaker received 9.14 for Knowledge and 8.93 for Effectiveness.

Comments:

- Excellent speaker tonight.
- Great venue. Really enjoyed attending the chapter's TMN. Great energy in the chapter.
- Kitchen too loud.
- Very good meeting and presentations.
- A wonderful night to cap an excellent year.
- Great job by Len Black. Provided an excellent overview of the workings of DEPTCOR.
- Would like to see a comprehensive course in KANBAN PULL SYSTEM design, specifically for the process industry, batch and/or continuous.
- Get started on time – 15 minutes late, then 15 minutes took 30. Len was 30 minutes late starting..

Position Available Warehouse Manager

Progressive distribution company is seeking a warehouse manager for it's branch in South Jersey. The warehouse manger is responsible for all warehouse operations including: receiving, shipping, stock rotation and care, inventory accuracy, scheduling procurement releases to refill inventory, employee training and evaluation and the like. Warehouse is a 45,000 square foot facility with 2000 SKUs in the inventory and twenty- five warehouse employees working two shifts during the peak season. Salary is based on experience and includes a performance based bonus. Full benefits package includes: stock option plan, generous medical plan, 401K plan. Candidates should have ten years experience in warehouse management and preferably hold CPIM designation and/or have heavy activity in APICS.

Send resume to Gerry Najarian at najarian@remgrp.com.

Why Choose APICS Certification Programs?

APICS certification programs open the door to job opportunities and your career advancement. According to a recent APICS Salary Survey, respondents with CPIM or CIRM credentials earned 15 percent to 23 percent more than non-certified professionals.

In addition, more Internet-savvy manufacturing companies are demanding APICS certification on applicant resumes. On Monster.com, more than 61 percent of manufacturing jobs request APICS certification!

The CPIM and CIRM programs specialize in results-oriented education, which means that you will walk away with more than the professional credentials that you have earned. You will learn to apply what you have learned in your own job, giving you enhanced credibility and recognition as a valued resource within your company.

The APICS Certification Maintenance program prepares you for the challenges ahead by preserving the currency of your hard-earned certification credentials.

Membership Corner: Director of Membership: Bob Franzblau, CPIM, C. P. M.

Right now, both the PTMO chapter and APICS National are sponsoring Membership recruiting campaigns.

For the PTMO program:

Interim program incentive drawings of **\$50**
at both the **November** and the **February** PDM's (chapter meetings).
\$150 drawing will take place at the **April PDM**.

Final contest drawing for the \$250 prize

at the **June 2003 TMN**.



You must refer at least 1 new member into the PTMO chapter to enter the \$50 interim drawings and the \$150 drawing. For each new member referral, you get another entry into the \$150 drawing.

If you refer 3 or more new members, you are not only in the \$50 and \$150 drawing for each member you refer, but you also gain an additional chance in the \$250 drawing for each additional member after reaching 3. If you register a Corporate Membership, you will gain the benefit of signing up 5 new members.

I will be explaining both at the upcoming PDM (September chapter meeting). Also, please check our chapter website: www.apics-ptmo.org (go to Membership) to get the details. We will be continuing to award new APICS members with APICS Membership Certificates at each of our chapter meetings.

All other members who have never received a (personalized) APICS Membership Certificate are encouraged to contact me to have one printed. I can be reached via email: franzrf@yahoo.com or by phone: 732-446-4077.

I want to continue to urge members to provide APICS National with updated membership 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/ (go to Members only/ Log In/ Member info./ Member profile)

I want to acknowledge Chapter Members with Anniversaries in APICS that are 5 years and beyond:

Name	Years
Robert M Franzblau	27
John H Zoller	25
Steve Scoppettuolo	20
Sal F Runfola	20
Rick O Pyfrom	20
Nancy A Basile	20
Douglas E Phillips	19
Michael Pierro	18
Barbara A Martin	18
John G Bennevich	18
John A Churchill	17
Richard Lajeskie	17
Matthew Feldman	17
Deborah A Lawler	17
Robert L Carter	17
Leonard W Cross	16
P Lawrence Bein	16
Thomas W Scutro	14
Robert M Zorzi	14
Daniel S Gowaty	13
Joseph W Flasser	13
Brian S Seeley	12
Pat Cavalchire	10
David G Hollinger	10
Gerald Najarian	10
Blair R Williams	9
John E Christoffersen	9
George Ladny	9
Shirley Howard	9
Dolores C Foley	9
Robert L Wetherill	9
James M O'Donnell	8

Gary L Shaw 8
Thomas P Boland 8
Charles J Kelley 8
Fred Cristaudo 8
Paul Burroughs 8
Leonard S Black 8
Charles J Kelley 8
Joseph Szalecki 8
Michael H Di Novi 8
James Marzarella 8
Susan Antoniato 8
Richard C Cathers 8
Thomas R Jackson 8
Michael P Mayette 7
Nicholas R Fiore 7
James F Frintner 7
Ronald L Primka 7
Lujean M Bonham 7
Ronald B Chaet 7
Lester R Ricardo 7
Lynette M Swanson 7
Christopher J Hansen 6
Kimberly A Turner 6
Patrick R Offenburger 6
Jefferson R Stark 6
Humberto Vivas 6
Kenneth D Sheaff 6
Gerald J Bose 6
Jennifer M Kavanagh 6
John J Enright 5
Kelly L Morris 5
Gabe DiMarino 5
Anthony F Radomski 5
Dennis M Moore 5
Michael J Donnelly 5
Thomas E Dickinson 5
Matt Strycharz 5

PRINCETON TRENTON /
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CHAPTER

Address Correction
Requested
Time Sensitive Material

C/o Bob Franzblau
Membership Chairman
6 Elisa Court
Manalapan, NJ 07726

FIRST CLASS MAIL

APICS - The Educational
Society For Resource
Management

APICS Professional Development Meeting, WEDNESDAY September 18, 2002

Our meeting this month will be held at the:

The Ramada Inn
Monmouth Street, East Windsor, New Jersey
Wednesday, September 18, 2002

Registration: 6:00 p.m.

Presentation: 6:30 p.m.

Dinner: 7:45 p.m.

NOTE: Cost: \$25 APICS Members

\$30 non-members, Students \$15

cash or check only.

Reservations: www.apics-ptmo.org

Cancellations 24 hours prior please.

Speaker: **Howard Forman, CFPIM, CIRM**

Topic: **InvPhobia – The Fear of Inventory Reduction**



From the NJ Turnpike - North or South - Exit 8 bear right after the toll towards Freehold/Twin Rivers (33 East), make first left after Mom's Peppermill Restaurant at the "No-U-Turn" sign. On-site heliport available.