

PT/MO EXPRESS

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

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June, 2003

Volume 6 Issue 10

Top Management Night, June 18, 2003 Invite your Boss for a pleasant professional evening out

'How to develop a competitive Supply Chain'.

Karen L. Alber, CFPIM,

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!!!!

About the Speaker:

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 exper-



tise 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. She has conducted research in a practitioner/academic partnership on Supply Chain Management for the APICS E & R Foundation Research Paper Series under the title: *"Supply Chain Management: Balancing*

The Supply Chain with Customer Demand". She is also published in such publications as *Consumer Goods Manufacturer*, *APICS Performance Advantage* and the *Production and Inventory Management Journal*.

Karen was recently portrayed on the cover of *Consumer Goods Technology* magazine in June 2002 as one of "The 25 Most Influential Executives" in the industry by *Consumer Goods Technology* magazine. Karen Alber has a bachelor's degree in Operations Management from the University of Iowa and an MBA from Loyola University.

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The 2003/2004 Board of Directors of The Princeton Trenton Monmouth Ocean Chapter of APICS

The Nominees were presented to the Membership at the May 21, 2003 Professional Development Meeting, at which time the election was held by vote of the attending membership. The elected officers and their positions are listed below, please come to Top Management Night to meet your new Board of Directors and witness their induction into office.

President	Fred Cristuado, CPIM
Executive V.P.	John Christoffersen, CPIM
Secretary	Joanne Ramsey, CPIM
V.P. of Finance	Bob Wetherill, CPIM
V.P. of Education	George Lazarides, CPIM
Director of Programs	Dave Hollinger, CPIM
V.P. of Membership	Bob Franzblau, C.P.M., CPIM
Company Coordinators	Blair Williams, CFPIM, Jonah
V.P. Marketing	Anil Mahrotra
Director of Marketing Monmouth Ocean	Drew Nadzan, CPIM
Newsletter Editor	Jim O'Donnell, CPIM, CIRM
College Chapters	Nick Fiore, CPIM
Director of Arrangements	Dolly Cristuado
Director of Employment	Gerry Najarian
P. A. C. Chairman	Jim O'Donnell, CPIM, CIRM

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

Hi PTMO members,

We want to show off our chapter and give you an unforgettable **Top Management Night** on **Wednesday June 18th**.

We would like you to show off your chapter too by inviting your manager (go to our website and enter your manager's name, designation and address and we will send him/her a formal invitation), to see what your chapter is all about. Here is what we have planned:

5.30 – 6.30pm Open bar and registration

6.45 – 7.15pm 'Operations Strategies in Competing Globally'

Mr. Dave Dvorak President Davlyn and Senior VP Operations Shiseido

7.15 – 8.00pm Dinner

8.00 – 8.30pm 'Developing a

Competitive Supply Chain' Ms Karen Alber, VP Pepsi-Cola 8.30 – 8.45pm Awards and Investiture of New Board

We are privileged to have two top executives speak on how their companies compete globally. We hope you will take advantage of their presence.

We will thank your current Board for the efforts they have made and we will also swear in the new Board and wish them luck. We will honor special members and a special company

Your chapter has had an outstanding year. Membership has increased bucking the regional and national trend; we are educating a full CPIM slate across four companies; we have a great website and



newsletter and we are in line for a gold passport book for the fourth year.

Come and help us to show off our chapter

Blair Williams
President PTMO – June 2003
www.apics-ptmo.org

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.

About the Speaker:

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



June's Topic:

Plant Shapes

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

Did you know that plants have shapes? I'll bet you thought that shape only related to what you look like in a swimsuit. Well, plants have shapes too. Plant shapes have nothing to do with swimsuits. Rather they relate to the basic manufacturing environment.

There are four manufacturing environments – *make to stock (MTS)*, *assemble to order (ATO)*, *engineer/make to order (ETO and (MTO)*. And there are four basic types of plants to accommodate these various manufacturing environments – *V plants*, *A plants*, *T plants*, *I plants*. Recognizing the issues inherent in each of these types of plants and how those issues affect the manufacturing middle of the supply chain can make or break the velocity/flexibility/waste efficient supply chain we are trying to create. In this column, we'll look at two shapes – the "V" and the "A" plant.

"V" plants. Many end items with a small number of raw materials characterize V plants and all end items are manufactured using the same basic processes: hence the name -"V" plant. These plants and processes often utilize specialized capital-intensive equipment to manufacture commodity type products usually in an ATO/MTS environment. The most notable characteristic of V plants is that of a process dominated by "divergences" as the product moves through the stages of manufacture. Divergence means that the relatively few raw materials *diverge* into a greater number of intermediate items and those intermediate items *diverge* into still more items and so on until final process or assembly.

Facilitating flow in such plants is focused on creating cells in the final process/assembly areas and managing queues in the homogenous process centers. The problem is that queues will accumulate in front of bottleneck centers and the bottleneck will shift as mix changes cause divergence imbalance. So, if we do two level scheduling – a final assembly

schedule and a homogenous process master schedule at the last divergence point before the final process – we then have to manage the process bottleneck centers almost perfectly and make the assembly centers very flexible. An "Advanced Planning & Scheduling" system that will effectively manage the queues accomplishes the former and set up reduction accomplishes the latter.

To illustrate, imagine a videotape cassette plant in which there are make to stock and assemble to order end items. Tape is made in an extremely complex process and then is slit to width and cut to length before assembly into a wide number of cassette cartridges. To get the velocity demanded in this commodity type business, tape has to be scheduled to a small buffer of roll stock using an APS system to schedule materials and capacity simultaneously without "waste" of the capacity. The slit and cut tape then feeds an automated cassette assembly operation that requires rapid breakdown and set up to assemble to customer order and to a minimal finished goods inventory.

"A" plants. Few end items and many raw material and parts items in an ETO/MTO environment are the main characteristics of an A plant. Here, the raw materials are often commodities, manufactured parts are unique to each end item and are manufactured in general purpose process centers, and the routings for these parts are dissimilar. Unlike the V plant, the flow of materials and parts "converge" as they approach final assembly. Convergence means that fabricated parts converge into a subassembly, which, in turn, converges into another subassembly and so on until final assembly. The flow and supply chain issue in A plants is one of resource utilization and capacity planning in the general-purpose work centers. For materials to flow smoothly, it is vitally important that these centers not be overused by trying to amortize often-lengthy setups. Otherwise parts will move from center

Continued on next page

Gerry's Gems – continued

to center in bursts causing a center to be overloaded one day and underutilized the next with consequent negative effects on final assembly due date performance.

Balancing flow in an A plant, therefore, is dependent upon reducing set up time in the process centers and shrinking intermediate parts lot sizes. In addition, the bottleneck center(s) will have to have buffer stocks of the common parts in front of the center(s) to allow the center flexibility to produce non-common parts when needed. Forecasting and master scheduling must be done at a very early convergence point in the process, maybe even at the raw materials level.

Consider for example, a metal buildings plant; a custom engineering intensive business in which lead-time performance is critical. Many kinds of raw steel are fabricated into different building components in cutting, general machining, welding centers and then are "assembled" to order on a flatbed for shipment to a customer. Successful supplier management to receive steel timely and in small lots is dependent upon master scheduling at the first level in the "common" bills of material and at the raw steel level and letting MRP plan the inbound steel shipments. The bottleneck centers, usually welding, need buffer stocks of often-used joists and beams to free them to produce custom components when needed. Last but not least, set up reduction in all the centers will permit the small lots that preclude wave like materials flow. With all these in place, buildings can be final assembly scheduled according to the lead-time and guarantee that goods will flow through without impediment.

From the Desk of George Lazarides

We've had a wonderful year with many education classes offered and delivered by your chapter to PT/MO members. A couple of the classes are continuing and will be winding up later this month.

We'll be starting an at large Basics of Supply Chain Management class this September. We'll most likely have the class in the East Windsor area. So take advantage of what the chapter can offer you especially if the situation at work does not feel as secure as it once did. It sure is a lot easier finding a

good job in the supply chain field with your certification and CPIM after your name. Let us help you get there.

Check our web site at <http://www.apics-ptmo.org/Education.htm> for the latest in classes and if you find one that interests you please register or if you have questions e-mail me at george.lazarides@us.rhodia.com.

Hope to see everyone at our Top Management Night on June 18. It certainly will be one of the best events our chapter has presented in many years.



Have a safe and enjoyable summer.

George Lazarides
609-860-4624
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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

Membership Corner

Director of Membership: Bob Franzblau

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

May 2003

Marc Esposito **Rolex Watch USA Inc**
Lester R Ricardio **Bristol-Myers Squibb**

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

This year our chapter has managed to maintain a steady number of members throughout the year. This has been due to a significant effort from my Membership subcommittee. I would like to thank and acknowledge the members of my subcommittee: **Nick Fiore, Joanne Ramsey, Blair Williams, Dave Hollinger, Anil Mehrotra, Bob Wetherill** and two recent additions, **Drew Nadzan and Jose Fernandes**. Thank you all!! This committee has met almost monthly throughout the year. Also on a monthly basis, this group has been calling members on the re-

newal cycle to encourage them to renew their APICS membership as well as solicit information and suggestions from these members to help improve our chapter. This committee (as well as some other chapter board members) has also been mentoring new members into our chapter to be sure they reap the benefits of APICS along with helping them become aware of the numerous offerings unique to our PTMO chapter.

As I mention each month, please check your profile with APICS headquarters to make sure it is both correct and up-to-date. It is important to have your profile reflect both your employer information as well as your home address and phone numbers. You can update your profile at the APICS National website: www.apics.org/ (go to Members only/ Log In/ Member info/ Member profile). I also have forms (with prepaid postage) for those that prefer to mail in your updated contact information. Remember, 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.

May Professional Development Meeting Feedback

The Speaker for the PDM was William R. Elders, CPIM. We used our standard feedback form. 18 forms were filled out. The Subject received a 8.89 rating, while the speaker received 9.00 for Knowledge and 8.50 for Effectiveness, the Meeting Facilities received 8.39 and the Food and Refreshments received 8.67. 16 respondents were Members 2 were Guests. 11 heard of the PDM through the Newsletter, 1 from Coworkers and 2 through Chapter Website. For future subjects the vote breakdown is as follows: Basic P&IM – 2, Advanced P&IM – 4, MRP – 3, JIT – 4, MPS – 4, Inventory Management – 6, Capacity – 6, CIRM – 5, Distribution – 0, Lean – 3, SFC? 4..

Comments: (Our apologies, there were too many to fit them all)

- Newsletter said Dinner was at 7:45 not before speaker.
- Speaker delivery was slow.
- Speaker started off too slow; was mostly boring. Spoke mostly of one plant processes - where ERP should be multi-plant? Not enough unique info or detailed info. Didn't seem to know subject as well as should - waited for audience participation too frequently.
- I thought Mr Elder gave great high level plan for ERP Audit the case study was helpful. It would have been better with hypothetical numbers or quantitative examples in detail.
- Excellent presentation. Very knowledgeable, able to use information on the job!
- Good ideas. Well presented.

Editorial: Jim O'Donnell, CPIM, CIRM

A few weeks ago there was a joint Region Meeting, hosted by the Northern New Jersey Chapter of APICS. The event was held at the Hilton in Hasbrouck Heights, New Jersey, just off Interstate Route 80. The joint meeting included Region I (the New England States), Region II (New York State and Northern New Jersey) and our region, Region IX (Central and Southern New Jersey, Eastern Pennsylvania, Maryland and Delaware).

I have been a member of APICS since 1983, when Mr. Frank Calatouno, Vice President of Materials Management, ITT Avionics, told us to join, the company will pay our membership but we must go to six PDM's a year and if we want a promotion, to get certified. Back then I had no idea what APICS was or what it was about. It would be more than ten years later, with Certifications for both CPIM and CIRM that Clarise Johnson, President of the Northern New Jersey Chapter would recruit me for the Board of Directors of that Chapter. I held the position of College Chapters Coordinator for three years before Shiseido America moved me down to our area.

I was at another Joint Region Meeting, again hosted by the Northern New Jersey Chapter, in September 1997. I was a member of the host chapter. At this meeting I met Rick Cathers, CPIM, Jonah, who was the Region IX Vice President and member of the distressed chapter known as Princeton Trenton. Rick and I had a conversation about restarting the chapter at this event. We met again at Congress For Progress, 1998, I was attending as a participant with John Zoller, CFPIM, we both were working for Shiseido America and wanted to have a source of education for our fellow employees. Well Rick sent out a letter to the membership, asking interested members to join in restarting the chapter, along with the Monmouth Ocean Chapter (another distressed chapter). Those that responded were Gerry Najarian, Drew Nadzan, CPIM, Paul Concha, Tom Dickinson, Bob Franzblau, CPM, CPIM, John Zoller, CFPIM and myself. In the years that followed our chapter has provided education to hundreds of professionals, have held Professional Development Meetings every third Wednesday nine months out of the year. Since the restart of our chapter we have competed for the chapter management award, our first year we received the Silver Medal, since then we have received four Gold Medals (the top award) and expect to receive our fifth this year. Our Passport Book, which is the record of efforts through the year and for which we are judged, was displayed at the International Conference last year, just one of two chapter books. We have risen from two distressed chapters to be one of the most well managed chapters in APICS.

When I arrived at the Hasbrouck Heights Hilton, before I could check in I met a friend from the Central New Jersey Chapter. Once I checked in, unloaded my bags in my room and made my call home, I went back down to the lobby where I met Fred and Dolly Cristaudo. Then I was embraced by a stream of friends, some of whom I have not seen since 1998 when I moved down to our area. We were all a little bit older, a little bit grayer, heavier for some, but we had not lost the memories of good times and laughter. From Friday night through Saturday and Sunday I renewed my old friendships and I met some new people from Region I and Region II. But these events are not reunions as we think of them, these are working meetings in which we share and learn the best practices for managing our chapters. As good as our chapter is there is always an opportunity for improvement. At this meeting, representing our chapter were Blair Williams, CFPIM, Jonah, Chapter President, Fred Cristaudo, CPIM, Chapter Executive Vice President, John Zoller, CFPIM, PAC Chairman and a member of the Region IX staff, Director of Membership for the Region and myself, the Chapter Newsletter Editor.

My message to you is get involved, take advantage of all that APICS has to offer. Enjoy life and enjoy the camaraderie of your professional peers.