

PT/MO EXPRESS

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

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

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Professional Development Meeting, May 21, 2003

Auditing ERP Processes for Continuous Improvement

William R. Elder, CPIM

Enterprise Resource Planning (ERP) is both a management coordination tool, as well as, a computerized Enterprise System (ES). Auditing an ERP system therefore may exist at three different levels: ERP, ES, and the management interface between the two. Often we find organizations implementing the ES portion of the system (i.e., the computer system) with a poorly designed ERP level and/or inadequate interface. Participants of this session will learn how to audit each level for continuous improvement.

Outline:

- I. Introduction.
- II. Identify three levels of implementation.
 - A. ERP, ES, and management interface - Definitions, common mistakes, and audit tools identified.
 - B. Explanation of how the management interface is critical for a successful implementation of ERP.
- III. Describe the management interface (environmental factors, choices for control, selection of relevant tools and techniques).
 - A. Where APICS Education pays dividends!
 - B. Applying resource management theory to your implementation.
 - C. Implementing for business results.



- IV. Identify implementation choices.
 - A. Implement by ERP, by ES software, or for results?
 - B. Aligning implementation strategies with APICS fundamentals.

Summary

Following this presentation, participants will be able to...

1. Identify existing auditing tools (checklists, etc.).
2. Evaluate proven techniques and select those that can contribute to success.
3. Discuss a common sense approach for ERP implementation that will transform challenges into opportunities.

About the Speaker:

William R. "Rick" Elder is an authority on operational strategies for manufacturing companies and President of Micro Manufacturing Systems, a management education and consulting firm. Through his teaching and consulting, he enables manufacturing organizations to convert

business strategies into effective operational initiatives. His clients achieve competitive advantages through the application of proven technologies and management techniques that enhance performance and productivity, on a continuous basis.

Elder obtained a Masters of Business Administration degree from Temple University (MBA, 1988) concentrating on Management and Organizational Behavior. He has been a longtime, active member of the American Production and Inventory Control Society (APICS) and serves on the leadership team for the APICS Philadelphia Area Network. He is an APICS certified instructor for the Certified in Production and Inventory Management (CPIM) program and he teaches courses regularly for local organizations and chapters.

You may reach Rick at 215-572-8114 or at wrelder@micromfgsys.com.

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

Greetings PTMO members

We are in the last months of this year's program. On **June 18th** we have our **Top Management Night**. We have two outstanding operations executives, speaking on 'Competitiveness'. Dale Dvorak is Senior VP of Operations and General Manager of Shiseido and Karen Alber is VP of Supply Chain Management at Pepsico. You will seldom get an opportunity to hear two such speakers in one evening. Please plan to attend and bring your top manager with you. Check out full details on our website at www.apics-ptmo.org

Here is a review of some of our successes and some areas where we have not done as well.

Membership: We continue to hold steady and work to increase our chapter membership. Given the national and regional trends this is a significant achievement. Do recommend us to your suppliers and customers.

From the Desk of George Lazarides

We have just finished two of our APICS certification classes. The teacher evaluations from the students prove that our instructors are top notch. The pass rate for our students on the certification exams has been very strong, again proving the quality of instruction.

We have just started APICS certification classes for IMN in Freehold. These classes will be held during the day and will be filled to the max. 20 students. IMN has requested the entire series of classes be taught on their

Education: We are currently running full CPIM education at four companies in our area – US Rhodia, Ocean Spray, Firmenich and IMN. Feedback indicates that all the companies are pleased with the value they are receiving. Please check with us if you want us to provide education at your factory premises, focused on your company and products

Dinner meetings: We have not done well here. Last month we had a very poor attendance. We have arranged good speakers. In May we have William R Elder speaking on '**Auditing ERP for Continuous Improvement**'. Do attend. You will learn and network with colleagues

Other services: We offer free education to any member who is in between jobs. We have an unemployment service and we have a technical forum. Please use these services.

site. IMN is strongly encouraging these students to become APICS CPIM (Certified in Production and Inventory Management) certified.

Supply Chain Managers/Material Managers,
If you'd like to get your staff certified, let me know. Classes can be during the day or in the evenings. Once certified you and your staff will become knowledgeable and proficient in the most effective supply chain techniques to increase customer service levels and reduce inventory.



Do keep in touch with us. New members please let us know when you can attend a PDM as we have your membership certificate.

Enjoy Spring. Stay healthy and be gentle

Blair Williams



George Lazarides
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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

May's Topic:

Lean Materials Management

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

Another question for readers of this column: What is the non-value added activity that consumes most of the replenishment cycle time in most processes? We'll get to that later, but first lets take a look at lean materials management. Materials management in a lean environment is focused on lean purchasing and lean storage. Following is a brief examination of each.

Lean purchasing. In lean purchasing the old emphasis on price as the dominant standard of value is abandoned in favor of the total value received in quality, delivery reliability, lead-time, information sharing and design cooperation, administrative simplification. A supplier with all of these will provide value by taking cost and time out of your lean processes. When suppliers provide quality materials, the time and cost of incoming inspection is no longer incurred. Short lead times reduce the amount of inventory needed. With information sharing and administrative simplification come vendor-managed inventories and elimination of the paperwork and communication involved in issuing releases. Lean purchasing is a one supplier at a time "certification" program starting with those large suppliers who supply critical materials and moving on until all major suppliers are in the lean program. Below is a ta-

ble of old and lean paradigm practices.

Lean storage. Often a significant amount of cycle time is expended in getting materials to the production line for each model run on the line. Two approaches to lean storage can take time out of the process. The first and most dramatic is to have materials delivered directly to the line by the supplier. This approach eliminates all double handling of materials and requires cells designed to have space for orderly material storage. The second approach is to "kit" the required materials *well in advance* of the time bucket in which they will be used and deliver them to the line early.

Now to our question and it's answer. *Time* is the great value-add opportunity in materials management – estimates suggest that more than fifty percent of replenishment cycle time is consumed in materials delay and movement. Old paradigm purchasing and storage are the major culprits in lost time in most processes. So, think time when you think materials management and then move on to lean purchasing and storage.

Subject	Old Paradigm	New Paradigm
Supplier selection	Many sources; price competition	Single or few suppliers; quality suppliers
Supplier location	Irrelevant, has nothing to do with price	Local; near the plant; possible to pick up
Price	Lowest price based on bidding leverage	Recognition of a fair price; progressive reduction based on cost sharing
Payment	Stretched out; supplier's terms plus thirty days	Fairly negotiated; often fifteen to twenty days
Inventory location	Our warehouse; large buffers	Supplier's plant; small buffers
Delivery quantities	Expediting based on frequent P.O.s; overages/underages	Predictable delivery in small lots based on large contracts; no overages/underages
Quality	Supplier's problem to meet high design spec; AQL approach	Joint effort to meet performance spec
Design cycle	Late and/or little supplier involvement	Early involvement; high design input
Communication	Little, late and one way	Frequent two way dialogue on problem resolution by all affected functions

Membership Corner
Director of Membership: Bob Franzblau

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

April 2003

Terry D Roshala Jr Johnson Controls
Sanjay D Paghdal

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:

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.

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 de-

tails). **I must add your chances of winning in the PTMO raffle drawings are still excellent!!**

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

PTMO Member-Get-A-Member Program

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

For details on the APICS HQ Membership Campaign, go to <http://www.apics.org/Recruit>

Congress For Progress 28

A Personal Perspective

By Bob Wetherill

Once again, I had a wonderful time at the Congress for Progress this year. Although the weather was horrible, the conference went very well. Several events stand out during this conference more than others. Having changed jobs more than twice in the last 20 years, I was taken back in time to different milestones in my career.

First of all, I ran into two colleagues from my employ back in 1983. It was amazing to run into these people after 20 years. Secondly, I reminisced with colleagues from my involvement with Unisys back in 1988, which was when Unisys came to being. Thirdly, I ran into two more colleagues from my days in the mid 90's when I was working with another ERP package. These events really put my life into perspective.

Held at the Sheraton Atlantic City Convention Center, I was impressed equally as much this year with the professionalism of the conference. One can easily tell that the Congress for Progress is run by a professional staff. The ease of registering and getting around is a symptom of the hard work and dedication that goes on behind the scenes.

I am always amazed by the keynote speakers each year. This year the keynote was held by Dan Thurmon. I did not know who this was, but I figured it was a 60 year old CEO of a Fortune 100 company. All of a sudden this young man comes onto the stage, introduced as Dan Thurmon, who is nationally known for his talks. An excellent choice, Dan provided valuable insight into change, adaptation, and flexibility, in addition to tips and techniques with juggling. He really kept us on the edge of our seat during the keynote.

I am eager to attend Congress for Progress 2004 in Hershey!

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

The Nominees will be presented to the Membership at the May 21, 2003 Professional Development Meeting, at which time the election will be held by vote of the attending membership. Any Chapter Member interested in entering in the election of the Board of Directors as a Nominee please contact Jim O'Donnell or John Zoller at their above contact information.

President	Fred Cristaudo, CPIM
Executive V.P.	John Christoffersen, CPIM
Secretary	Open
V.P. of Finance	Bob Wetherill, CPIM
V.P. of Education	George Lazarides
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 Mahotra
Director of Marketing	
Monmouth Ocean	Drew Nadzan, CPIM
Newsletter Editor	Jim O'Donnell, CPIM, CIRM
College Chapters	Nick Fiore, CPIM
Director of Arrangements	Dolly Cristaudo
Director of Employment	Gerry Najarian
P. A. C. Chairman	Jim O'Donnell, CPIM, CIRM

Top Management Night on June 18th

Place: Ramada Inn
Time: Registration 5:30 to 6:30
Open Bar 5:30 to 6:30
Price: \$45.00 members
\$50.00 non-members
\$25.00 college students ID required



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

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

May 21, 2003
Topic: Auditing ERP Processes for Continuous Improvement
Speaker: Rick Elder, CPIM
Location: Ramada Inn, Hightstown, NJ

June 18, 2003
Top Management Night
Technical:
Topic: Operations Strategies in a Global World
Speaker: Dale Dvorak
Keynote:
Topic: How to develop a competitive Supply Chain
Speaker: Karen Albers
Location: Ramada Inn, Hightstown, NJ