



# 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) >>>>

October, 2003  
Volume 7 Issue 2

## Professional Development Meeting, October 15, 2003

Attention!!! Attention!!! New Meeting Site, please check the last page of this Newsletter

### The Theory of Constraints - More Than Just Bottlenecks and Buffers Presented By: Frank Patrick

For organizations that want to improve their operations relative to their current state and/or to their competition. The Theory of Constraints (TOC) provides clear guidance for quickly identifying constraints and leveraging capabilities, resulting in breakthroughs to significant new levels of performance.

Common views of performance improvement tend to focus primarily on short term cost reduction or on incremental refinements of current practices. Replacing such limiting views with a shift of mindset and management focus to the goal of sustainable growth of throughput, TOC-based initiatives provide organizations with real and rapid

current results as well as a clear roadmap to future success.

This presentation will introduce the various applications of TOC can bring to an organization.

- \* Operations - Drum-Buffer-Rope for fast throughput, reliable production promises, minimal inventory and a stable base for focused Lean efforts.

- \* Distribution - Replenishment to protect the ability to satisfy customer demand through a distribution network.

In addition to the "bottleneck and buffer" focus of these two supply chain applications, which are usually the focus of an APICS audience, TOC also addresses...

- \* Project Management - Critical

Chain for minimizing the impact of Murphy's Law and Parkinson's Law on project performance.

- \* Problem Solving and Solution Planning - TOC Thinking Processes as a means to create breakthrough solutions and overcome resistance to change associated with their implementation.

- \* External Constraints - Irrefutable, Implementable Offers to enable your supply chain to support your ability to take fullest advantage of your internal capacity and capabilities.

- \* The real goal of an organization and a common sense strategy for achieving it that everyone can understand and support.

Fred, Dave and Bob,

We met last night at the APICS meeting. I just wanted you to know that the speaker [Steve Maynard] was one of the best I've ever heard and if this is any indication of the chapter's meetings then I'll plan on getting to all of them. Dave really got a great speaker!! Maybe I found it so good because the manufacturing side of the business is somewhat new to me. I've always been associated with buying materials and services for the "services" industry.

Anyway, it was great! See you all at the next meeting.

Henry White C.P.M.

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## Princeton-Trenton/Monmouth-Ocean Professional Development Meeting and Seminar Calendar, 2003-2004

**September 17, 2003**

**Topic:** "Implementing lean at Wiremold, and what we learned"

**Speaker:** Steven M. Maynard

**Location:** Cranbury Inn Restaurant, Cranbury, NJ

**October 15, 2003**

**Topic:** The Theory of Constraints - More Than Just Bot  
tle necks and Buffers

**Speaker:** Frank Patrick

**Location:** Cranbury Inn Restaurant, Cranbury, NJ

**November 19, 2003**

**Topic:** Closing the Gap Between Theory and Reality

**Speaker:** George N. Wells, CPIM

**Location:** Cranbury Inn Restaurant, Cranbury, NJ

**January 21, 2004 Seminar**

**Topic:**

**Speaker:**

**Location:** TBD

**February 18, 2004**

**Topic:**

**Speaker:**

**Location:** Cranbury Inn Restaurant, Cranbury, NJ

**March, 17, 2004**

**Topic:**

**Speaker:**

**Location:** Cranbury Inn Restaurant, Carnbury, NJ

**April 21, 2004**

**Topic:**

**Speaker:**

**Location:** Cranbury Inn Restaurant, Cranbury, NJ

**May 19, 2004**

**Topic:**

**Speaker:**

**Location:** Cranbury Inn Restaurant, Cranbury, NJ

**June 16, 2004  
Top Management Night**

## President's Message: By Fred Cristaudo, CPIM

It seems like only yesterday that Charles Kelley, Assistant Chief of Finance of DEPTCOR passed out a sign up sheet to attend a Basics of Supply Chain Management class which was being hosted by Shiseido America and taught by current Newsletter Editor and PAC Chairman Jim O'Donnell, CPIM, CIRM. DEPTCOR at the time was in the infantile stages of implementing their current ERP software system. Both Len Black, Bureau Chief and Charles Kelley, CPIM were involved with APICS and knew the value of the education they offered.

Since that initial contact in September of 1998 with APICS and the PTMO Chapter of APICS, both my personal and professional life has made an 180° turn around. I began my tenure on the BOD as Company Coordinator Director then handled the responsibilities as Newslet-

ter Editor from there I took over VP of Education onto Executive VP and Programs and in the middle of all this became CPIM certified. I want to relate this story to all of our members because of the importance of allowing APICS to become part of your life, both personally and professionally.

PTMO has begun a new mentoring program for all its BOD members and I fortunately have Rick Cathers, CPIM, Jonah, former PTMO Chapter President, Region 9 VP and Society Secretary Treasurer. With his guidance and tutelage PTMO will have the best of both worlds with his vast experience and my drive and determination, PTMO will be the "Benchmark" chapter of both Region 9 and of APICS itself.

I hope everyone who attended our September PDM en-



joyed our new venue which was held at the Cranbury Inn located in historic Cranbury. The sit down dinner and the warm ambience that the Cranbury Inn offers is a refreshing change to our prior site.

In closing, as always for PTMO to hear the **Voice of our Customer (you)** I can be reached by email at [fdccrist@comcast.net](mailto:fdccrist@comcast.net) (home) or [fcristau@deptcor.state.nj.us](mailto:fcristau@deptcor.state.nj.us) (work) or by phone (856) 468-7103 (home) or work (609) 292-984-0243 (work).

## About the Speaker: Frank Patrick

Frank Patrick is founder and principal consultant of Focused Performance, providing education, consultation, and facilitation in the realm of the organizational effectiveness. As such, he has been involved in assisting a wide range of organizations to achieve breakthrough solutions for significant results using the Theory of Constraints and its associated applications.

A New Jersey native, and a graduate of Rutgers University's school of engineering. Frank's 25-year corporate career included responsibilities in industrial engineering, production planning, new product development, and process management consultation at Revlon, Johnson & Johnson, Nabisco, and AT&T/Bell Labs,

where he was first exposed to TOC. Subsequently, since launching Focused Performance in 1996, Frank has added organizations involved in developing sophisticated hardware/software systems, financial services, precision machining, IT support, and defense systems to his experience. With most of his recent efforts associated with strategic planning, operational problem solving, and Critical Chain-based project management, Frank has become a recognized advisor, writer, and presenter on these topics, both in the US and abroad. Within his Focused Performance web site -- <http://www.focusedperformance.com> --



Frank's latest thinking on a range of issues related to organizational effectiveness are formed in public in a widely read and syndicated weblog, found at <http://www.focusedperformance.com/blogger.html>.

# Lean and Supply Chain by Dave Hollinger, CPIM



September's Topic:

## Build Organizational Awareness

Questions or comments can be directed to Dave by phone at (732) 922-0255 or by e-mail at Dave@PrimeBusinessGroup.com

I stated in last month's column that the first phase of Lean is "Building the Organizational Awareness". During this phase the organization must assess its Goals and Objectives, Determine the Commitment, build teams, Lay Out the Project, and Communicate To the Organization.

### BUILD ORGANIZATIONAL AWARENESS

Before you can build organizational awareness, the organization must determine what it is they are building. We would all wonder about the sanity of a property owner who would tell a building contractor to start building without telling him the type of building, the size, the cost, etc. So, too, obviously, we must question the sanity (intelligence?) of a business owner (or manager) who tells his team to build a lean organization without describing what he has in mind.

Is the definition of Lean clear? Let's examine a few of the basic principles:

- ❑ Eliminate Waste  
Waste is anything the customer will not pay for.
- ❑ Flow  
Like water moving downstream, the product should move without stopping
- ❑ Pull  
Only make what is required by the 'person on the front end of the string' (which in a manufacturing company is the 'customer' at the next 'downstream' operation, which ultimately equates to the end customer)

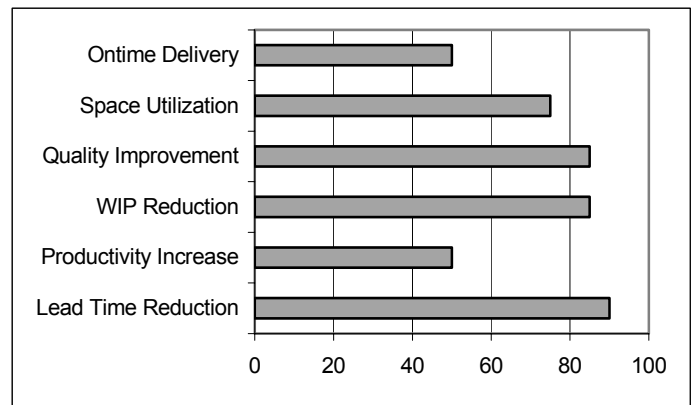
These three 'principles' may help you begin the process of applying the concepts of lean to an organization. They apply to every department, every process, every document, and every movement (product, tools, people, etc.) in the organization.

### GOALS AND OBJECTIVES

We heard from Steve Maynard (at the last PTMO Meeting) that Art Byrne had a vision when he came to Wiremold. Art understood the definition. The board of directors of Wiremold understood his vision. How did he get their backing? He described lean in terms the board could understand – the financial turnaround of the corporation. The board wasn't sufficient however, Steve said Art included union leaders so both management and labor would work toward the same objectives.

Typically today lean will improve :

- ❑ On Time Delivery by 50%
- ❑ Space Utilization by 75%
- ❑ Quality by 85%
- ❑ Reduce WIP by 85%
- ❑ Productivity by 50%



- ❑ Reduce Lead Time by 90%

### DETERMINE THE COMMITMENT

Those are attention getting statistics! Will your management be intrigued by these results? Will they commit to the amount of work and effort? Will they agree to change the culture? Will their commitment last for the time it takes?

### BUILD TEAMS

Art Byrne still didn't start 'building out on the property', according to Steve. He had a team of what Wiremold refers to as 'Concrete Heads' – people who don't understand, and don't know what to do, and are somewhat (or perhaps very) resistant. Art started by personally training every manager in the company. He built his team.

How will you build your team? It must include top management, and should include people from all areas of the company.

### LAY OUT THE PROJECT

Now that Art Byrne had his team, they examined departments and decided what they could accomplish.. Steve's group de-

## Dave's Digest: Continued

### Lean and Supply Chain by Dave Hollinger, CPIM

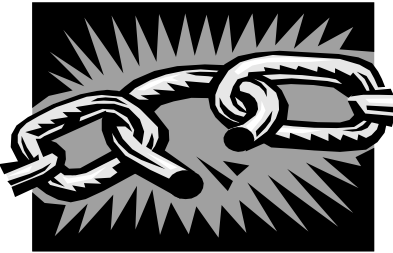
cided they could reduce product development time from 3 years to 6 months. They started by taking a single product line, and changing the processes, and the culture, in that department, and worked to achieve the goal. As they did that, they built early successes, and learned how to improve other product lines.

While Steve was working on that goal, other teams began working on their departments. All teams continued training, building and sharing their successes and knowledge.

Your project, like Steve's, should have a measurable goal. It is best to take a small 'bite', and achieve an early success.

#### COMMUNICATE TO THE ORGANIZATION

While the various teams at Wiremold were working and beginning to succeed, Art communicated to all employees. He held meetings. He posted results.



#### Don't be the Weak Link!

Use APICS to strengthen your skills and add to your tool box of skills. Come to the Professional Development Meetings, Enroll in the Certification Classes, Attend Congress For Progress. Make yourself the **Go To Person** in your company. Check out our chapters education offerings on our chapter website at [www.apics-ptmo.org](http://www.apics-ptmo.org)

The culture at Wiremold began changing.

#### NEXT MONTH

Create the New Organization

#### BY THE WAY

I hope this 'column' will be interactive. I'd appreciate your comments and suggestions, both positive and negative, and I will share them with the readers.

Thank you,  
Dave Hollinger, CPIM  
Sr. Partner, Prime Business Group  
Executive Associate,  
Institute for Independent Business

### From the Desk of George Lazarides, CPIM

Our open Basics of Supply Chain Management class at Shiseido has started. We have a wide range of students from several different companies in the area. In just 10 weeks these supply chain professionals will be ready to pass their first CPIM exam. You can get there too. Your local APICS chapter (that's us) can show you the way. It's easier than you think. To Supply Chain Managers. PT/MO can put together CPIM classes right there at your site. Classes

can be taught during the day or in the evenings. Put getting certified into your team's performance reviews. With classes held at your site your team won't have any reasons not to take the classes. Normally we teach a three hour class once a week. But we can be flexible and condense that if you'd like. You'll develop a truly professional staff. If we can assist you in any way let me know.



George Lazarides CPIM  
V.P. Education  
APICS PT/MO  
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#### Special Notice

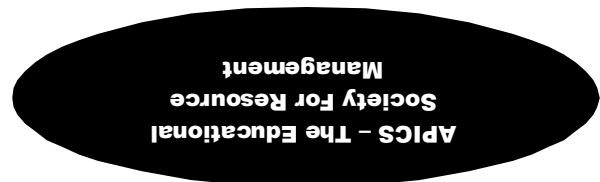
" Your PTMO Board of Directors passed a resolution to admit ALL unemployed members and all members of the teaching profession, FREE, to any certification class conducted by the chapter. You will need to pay for your participant books only. Please avail of our offer to add value to you, our membership.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

PRINCETON TRENTON /  
MONMOUTH OCEAN  
CHAPTER

Address Correction  
Requested  
Time Sensitive Material

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

FIRST CLASS MAIL



**APICS Professional Development Meeting. WEDNESDAY October 15, 2003**

Our meeting this month will be held at the:

**The Cranbury Inn Restaurant**  
21 South Main Street, Cranbury, New Jersey  
609-655-5595

Wednesday, October 15, 2003

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**

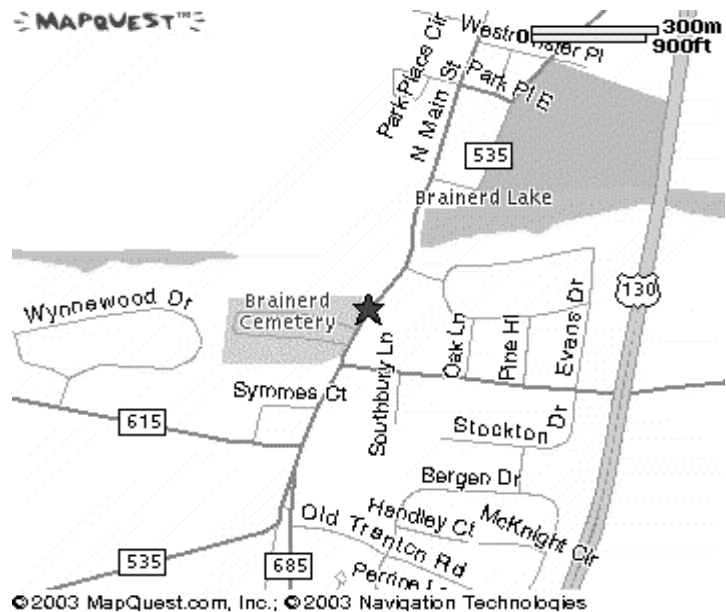
cash or check only.

Reservations: [www.apics-ptmo.org](http://www.apics-ptmo.org)

Cancellations 24 hours prior please.

Speaker: **Frank Patrick**

Topic: **The Theory of Constraints - More Than  
Just Bottlenecks and Buffers**



From the North: NJ Turnpike to Exit 8A, take Rt 32 West to Rt 130 South. Go past Dey Rd (in right lane) 200 feet south of Dey Rd bear right onto North Main St. The Cranbury Inn will be on the left, after lake.

From the South: NJ Turnpike to Exit 8, take Rt 33 East to Rt 133 North to Rt 130 North, go to circle turn left on to South Main St. The Cranbury