

Central MN APICS January 6th, 2009 Professional Development meeting

PDM Presentation by: Robert A. Hirneisen, a principal with Oliver Wight Americas, explaining Lean Supply Chains and the steps an organization takes to become World Class in this area.

*****Please note start time, location, and registration deadline below. This is a Noon Lunch meeting!**

Oliver Wight, the Firm

Oliver Wight excels at helping organizations simplify and synchronize all of their business processes and resources, such that everyone operates from the same game plan and works together to achieve their objectives. What gives us this ability is:

- ▶ The practical experience of our principals who serve as educators, facilitators and coaches. All members of the Oliver Wight team have personally been down the road to business excellence - we know how to do it from personal experience
- ▶ Our proven methodology for introducing, accomplishing, and sustaining process change
- ▶ Measurements and standards of performance, developed by Oliver Wight, that are recognized as the industry standard
- ▶ Our focus on measurable results

The late Oliver Wight founded our firm in 1969. Ollie set the standard for excellence in the field of manufacturing, and for the past thirty-nine (39) years, we have been recognized as the premier purveyor of best-practice business process education and consultancy services.

Ollie is credited with developing measurements and standards of performance known collectively as *Class A*, which today are recognized as the industry standard. A business that is *Class A* is one that uses integrated business processes and practices organization-wide (from top to bottom) to generate significant improvements in competitive position, flexibility, return on assets and quality of work life. The organization has the right blend of management, operational processes, and metrics in place and people understand how to employ them effectively.

It does not matter whether our clients produce automobiles or *agricultural products*, they need to do an excellent job of planning, scheduling, and execution if they are to gain and maintain a competitive advantage. "Faster, more reliable, more economical responses to the marketplace" is how we would summarize the results our clients achieve.

Globally, Oliver Wight has roughly sixty-five (65) educators/coaches dedicated to client success. All of these individuals came out of industry – each was extensively involved in a Class A initiative at their respective Bayer CropScience. We do not hire MBA's fresh out of business school that learn on the job, we carefully select practitioners who led their companies' successful improvement initiatives and possess the ability to mentor others in doing the same. In addition to "technical" expertise, the individuals we select understand the "soft" (change management) side of an improvement initiative and are adept at working with all levels of an organization – from the front line soldiers to the president's office.

Lean Supply Chain

In today's competitive global market, nearly everyone has heard about companies outsourcing their product overseas to places like China and India. Most people confuse cost-cutting initiatives with delivering true value through an organization's supply chain. Making one's supply chain Lean is not the same as getting the lowest price for a product or component. It is not about demanding price reductions from suppliers. It is also not about pushing inventory into someone else's warehouse!

A Lean Supply Chain is a process that looks across all areas of a business, including its suppliers, and drives out waste and inefficiency. Lean is about continuous process improvement and collaboration with all the various entities of one's supply chain – both internal and external.

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Many companies suffer from a missing ingredient when building and refining their supply chains – integration. They lack a single coherent strategy that focuses the organization around their core supply chain goals. A lot of times the goals of the supply chain group conflict with the overall mission of a business. A Lean Supply Chain starts first with a business’s strategic focus and uses this to drive alignment across the organization and out into the supplier network. In one sense, when a company implements a Lean Supply Chain, they are starting with a blank sheet of paper and working backward from their end goal – better alignment to their customers. World Class companies drive collaboration to both the end source of a product and the end customer, regardless of the number of tiers or borders they must cross.

In his talk on Lean Supply Chains, Robert will explain what this is and the steps an organization takes to become World Class in this area. He will also provide case examples of companies that have achieved World Class supply chains and what it has done for their businesses.

Biography

Robert A. Hirneisen



Robert A. Hirneisen, a principal with Oliver Wight Americas, is an expert in Operational Excellence, Lean Manufacturing, and Supply Chain Management with over 20 years of extensive manufacturing, project management, training, and management consulting experience. Robert has occupied a number of operational and senior management positions, leading these companies to significant improvements in operations, productivity, efficiency, and cost savings. His leadership responsibilities have encompassed all areas of operations management. Top-level management positions held range from VP of operations to interim President and COO. Robert has served on multiple steering committees and board of directors.

Robert has experience in a variety of industries as a consultant and a practitioner, including electronics, construction equipment, electrical power generation, and pharmaceuticals. His client companies have included Abbott Labs, American Augers (Division of Astec Industries), Caterpillar, Dade Behring, International Flavors & Fragrances, Research In Motion, Westinghouse Nuclear Fuels, and Zimmerman Sign Co. (A Bank Of America Company).

He actively participates in APICS and has been a keynote speaker at numerous chapters across the United States. Robert has been a featured speaker at SME’s international conference. Bob received his BS in Computer Aided Manufacturing from Eastern Michigan University and is pursuing graduate studies in business and computer science at Colorado State University.

Location:

St. Augusta Legion
1894 247th St
St. Augusta MN 56301-8775
320-252-6693

Schedule:

Registration 11:00
Speaker 11:15
Buffet Lunch 12:30
Wrap up 1:00

Cost:

Non-members \$25.00
Members \$20.00
Student \$10.00

Registration Deadline is Monday, January 5th @ Noon
Register @ http://www.apicscmn.org/events/100_538000.aspx

Officer's Corner
Professional Development Meetings

By Doris C. Illies, V.P. Programs

I would like to start my article by introducing myself to the membership of APICS. I am a Job Placement Specialist for Productive Alternatives. We provide employment services to people challenged by disabilities.

I am enjoying my second year on the board in my position as the V.P. Programs. Basically, my role is to coordinate the Professional Development Meetings (PDM's). Serving on the board of Central MN APICS has helped me grow professionally and I would recommend serving on the APICS board to our membership! What a great way to learn more and give back.

So how do we pick the speakers and tour for the Professional Development Meetings? The answer is YOU!,... the membership. I get ideas from the PDM evaluation forms, members send me emails with ideas, and board members make suggestions. Do you have ideas for topics or speakers? Please send them to me at dorisi@paiff.org.

So, where have we been, what have we learned, and what about future PDM's?

In September we toured **Quebecor World** with a Thank You going out to **George Wilkes** and all the staff that helped make that a great tour. The topic was **Identity Theft, Protecting You** with Speaker: **John Justin, St. Cloud Police Department**.

In October we toured **Cold Spring Granite** with many Thanks to **Chuck Krebsbach** and the staff at CSG for the great welcome. We then heard from **Kent Gilmore** from **Nahan Printing** about **Sustaining a Successful Lean Program**.

The November PDM brought us to **Alexandria Extrusion** hosted by **Peggy Angell** and the Alexandria Extrusion staff. **Cameron Macht, DEED** shared a quick examination of **The Most Recent Demographic and Economic Statistics for Central Minnesota, Along with a Look at Future Projections**.

December was at Michael's Restaurant with **Learning Paths – Increase Profit by Reducing the Time it takes Employees to get up to Speed**. Our speakers **Steve Rosenbaum, and Ed Robbins – Learning Paths International** did a great job teaching us about the time to proficiency and how it is different from training time.

In January 2009, we are changing things up a little with a lunch meeting at the **St. Augusta Legion**. Our speaker, **Bob Hirneisen** will be coming from **APICS Chapter 242 – Danbury CT**. Bob works for **Oliver Wight Americas** and will speak on **Lean Supply Chain – A Journey to Excellence**.

Our February 2009 site is still to be determined, but we have lined up a speaker from **Enterprise Minnesota** to speak on **Training within Industry-Job Relations** a short version and overview. TWI-Job Relations deals with problem solving in the workplace and teaching employees/supervisors the tools to master problem solving. It is a 4 step proven method.

Plans are being made for the March, April and May 2009 PDM's – watch for information in the newsletters and on the website.

As you can see, it's been busy!... I look forward to many more great facility tours and presenters. As mentioned above, please let me know what facilities/topics YOU the members would like for our PDM's.

I will end this report with a Quote from my 94 year old grandmother.
Find time to Laugh, Sing or Dance Everyday.... life is short!

THE UN-COMFORT ZONE with Robert Wilson

Defeating the De-Motivator

The sweet strains of a Puccini aria cut through the Saturday night clatter of the busy Italian restaurant in New York City, but it wasn't coming from the aging voice of the Sicilian baritone who was hired to belt out favorites like *Funiculi-Funicula*. It was a soprano whose crystal clear voice filled the room. Within moments all the ambient noise came to a halt. Diners stopped eating and talking, busboys stopped clearing tables, the cooks even came out of the kitchen.

Singing on the tiny stage was the skinny moon-faced waitress from Ohio. The Sicilian heard she studied opera, so he invited her to join him, but what began as a duet ended in solo as he too was mesmerized by the beauty of her voice. When she finished, the place thundered in applause and I saw tears of gratitude glistening in her eyes. She had hit each note perfectly.

If only she had done that when she auditioned for the Metropolitan Opera. But she choked, flinched, allowed a seed of doubt to creep into her consciousness and thus her voice.

She told me her story over a couple of beers after work. It was the fall of 1984, and I was a fellow waiter at the restaurant; just another struggling artist in the city that never sleeps. She explained that she got nervous during her audition and couldn't hit the high notes. She would get one more chance to audition, but she would have to wait an entire year.

I never found out if she made it; as a writer my art is portable and a few months later I moved to a city where they still have a bedtime. I suspect she did, because that night she received a proof - a vital beginning step.

Doubt is a silent killer. We transmit feelings of doubt to others through subtleties in our body language, facial expression and tone of voice. It is picked up subconsciously by those with whom we communicate. Worse than that, we communicate it to ourselves, and it seeps into our performance. Doubt is *the* De-Motivator and all too often it prevents us from even trying.

We all suffer doubt occasionally, and its cure is always the same: proof. Proof that we are indeed talented enough to do what we set out to do. A proof doesn't need to be big to eliminate doubt. A series of little ones can be just as effective.

I keep a journal - a log - of accomplishments. Both small and large, because they all add up to reasons for believing in my abilities. It is especially important to log the little ones, because they are so easy to forget or overlook, and yet they carry tremendous weight when it comes to giving ourselves confidence.

You say, "I'm just starting out and have no accomplishments." That just means you're not looking in the right places. We all have successes, some of them may be found in different areas of your life. I often read in the Wall Street Journal about women, who after years as stay-at-home Moms, return to the workforce in well-paid management positions. They acquire these jobs by citing in their resumes the many skills and achievements they learned through their volunteer work. What talents are you racking up through your hobbies and leisure activities?

Sometimes proof comes to us by comparing ourselves to others. Simply ask yourself, "Out of all the people who have ever lived, how many have attained what I want?" The sheer numbers alone will often be all the proof you need.

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When all else fails, fall back on faith. Some of the most successful people in the world had absolutely no proof that they could achieve their dreams. All they had was a strong desire and a belief in themselves. As Martin Luther King, Jr. once said, "Take the first step in faith. You don't have to see the whole staircase, just take the first step."

Robert Evans Wilson, Jr. is a motivational speaker and humorist. He works with companies that want to be more competitive and with people who want to think like innovators. For more information on Robert's programs please visit www.jumpstartyourmeeting.com.

Volunteers needed

APICS, the global leader and premier source of the body of knowledge in operations management, including production, inventory, supply chain, materials management, purchasing, and logistics, is calling for volunteers to serve on its 2009 Finance Committee. APICS Committees are intended to be strategic in nature and function in alignment with the APICS three-year strategic plan.

The Finance Committee advises the board on financial matters, reviews the annual budget and monthly financial statements and offers appropriate advice and assistance to the board on financial matters. The committee prepares written and oral reports and explanations as required or requested by the board.

The committee meets monthly via conference call and at least once face to face to review the budget.

The Secretary-Treasurer serves as the chairperson.

We are looking for 3 volunteers with financial management experience such as a CFO or Director of Finance.

If you want to get involved in various financial and budgeting aspects of APICS, [apply online](#) before **Tuesday, December 23, 2008**. If you prefer, [download](#) a volunteer application form and fax it to 773.639.3073 or email it to btaylor@apics.org.

[Apply today](#) to be a volunteer and play a pivotal role in shaping the future of APICS.

Sincerely,

Eric Schaudt, CPIM, CSCP

Secretary / Treasurer 2009 Board of Directors

Identifying the Factors for Successfully Managing Supply Chain Risks

A research project was conducted by Western Michigan University and Mercedes-Benz Technology North America, LLC, about the potential for managing risks in Supply Chain Management (SCM). Managing supply chain risks is emerging as a viable, proactive, and strategic SCM application. Our project's focus was on the structure, implementation, and maintenance of a formal system for managing risks in the supply chain. A common theme was that the decision to manage supply chain risks constitutes a major undertaking for most firms. Such an undertaking, it is argued, does not take place in a vacuum. Rather, it is a response to a number of factors or influences. However, no research to date has empirically identified these factors and explained how they can be leveraged into a competitive advantage. In this study, we used data from 46 firms and SCM managers to identify which factors affect the decision to develop a system for managing supply chain risks. We also explain how these factors can influence the level of success for companies.

Firms overwhelmingly agreed there is no obvious single application for managing supply chain risks on the market today. Most firms (61%) are only using existing SCM applications for managing risk. An additional 6% said they would like to implement a SCM risk application in 1-2 years, and another 13% said they are considering it. This indicates that while specific supply chain risk applications do not exist, interest levels are very high (80%). 18% of the firms said they will spend over \$1M in services, technology, and personnel to support managing supply chain risks, while 7% actually plan on spending over \$5M. Another 52% said they plan on spending more modest amounts of less than \$500,000. 30% would not answer the question because of its proprietary nature, but indicated a moderately large amount of spend was planned. Not surprisingly, larger companies will invest more than smaller ones. The manufacturing firms look very similar in their higher spending efforts with a focus on supplier failure, whereas the non-manufacturing firms indicate lower spending levels with a focus on logistics failures.

Risk management in this study was mostly handled by a corporate function, usually dealing with insurance companies and some security issues. There was not strong agreement that supply chain managers fully understand the activities being performed by their risk management group. The organizations in this study have no intentions to outsource risk management and are strongly inclined to develop these skills internally by purchasing a risk management application, and specifically in the SCM area. However, they feel there is no single set of tools on the market for managing supply chain risks. Again, interest and need levels for supply chain risk applications remains high.

Respondents in our study see a broad set of risk factors that pose a disruption to their supply chains. These risks did not vary much by industry or size, and most were shared. Supplier failure/reliability was the top risk factor and common across all respondents. Bankruptcies of suppliers, logistics failure, commodity cost volatility, natural disasters, and strikes/labor disputes were distant seconds. The non-manufacturing respondents were more inclined to place a higher priority on logistics failure which is not surprising since they were mostly made up distributors and a retailer. Some of the top risk factors are beyond the control of buying organizations. Managers insisted that while preventing these will not be possible, reacting to them quickly is an option through contingency planning. Most of the firms strongly agreed that managing supply chain risks is driven by reactions to failures rather than being proactively driven. Most managers agreed that they have had supply disruptions that have caused financial hardships in the past 24 months.

Managers agreed that without a systematic analysis technique to assess risk, much can go wrong in a supply chain. This study showed that documenting the likelihood & impact of risks was not a key part of SCM and that supply chain risk information was not readily available to key-decision makers. Furthermore, very few of the firms are actually able to exploit risk to an advantage by taking calculated risks in the supply chain and even fewer were prepared to minimize the effects of disruptions. There was some debate as to the validity and usefulness of tools to operationalize the process. The managers did tend to prefer approaches which combine subjective and objective measures because this allows them some freedom rather than being pushed into taking decisions solely on complicated numerical analysis.

In this study, firms had information of what goes on in other parts of the supply chain and were very satisfied with their group's performance on visibility. There was also strong agreement that their companies use real-time inventory information and analytics in managing the supply chain. Information delays, scarcity, sharing, & infrastructure breakdown was seen overwhelmingly as one of the lowest rated risk factors both currently and for the future. These findings are not surprising given that firms in this study showed that a wide variety of information-based technology is being spent for their SCM efforts, but very few firms showed that their technologies are being used to support risk considerations.

Certain factors were identified as having a critical impact on predisposition and progress toward managing risks in SCM. These factors included: Corporate Strategy, Supply Chain Organization, Process Management, Performance Metrics, and Information & Technology. These factors describe a situation where the respondents saw managing risks as an extension of their SCM movement. There seems to be recognition that succeeding requires more than simply creating a new program or department. It is argued that these various factors act to pre-condition the firm and its systems to the introduction, acceptance, and progress on managing SCM risks.

Dr. Sime (Shema) Curkovic, Professor, Supply Chain Management, Western Michigan University, Haworth College of Business, Kalamazoo, MI 49008-5429, Tel.: 269.387.5413, Sime.curkovic@wmich.edu

Mr. Michael J. Vitek, Vice President, Mercedes-Benz Technology North America, LLC, 400 E. Big Beaver Road, Suite 300, Troy, MI 48083, Tel.: 248.217.7198, Mike.vitek@mbtech-group-na.com

Welcome new members

Brandon Backes	SCSU Student	Gaylynn Avelsgard	Avicenna Technology Inc.
Tom Bullert	SCSU Student	Melissa Doebber	Brenton Engineering
Stephen Muenchow	SCSU Student	Christy Hart	Brenton Engineering
Michael Brophy	SCSU Student		
Michael Hedeem	SCSU Student		

Company Coordinators

Company Coordinators serve as the liaison between their company and the APICS Chapter Board of Directors. They are the source of APICS information about the chapter's educational offerings for their co-workers, and provide feedback to the chapter about the educational needs of their company's management. This is a crucial link between our chapter and the companies we serve.

Malco Tools
Sartell Valves, Inc.
Gold'n Plump
3M Inc. Hutchinson
New Flyer
Redball LLC
Suttle Appartus
The Antioch Company
Trivirix
RT Enterprises
3M Inc. Alexandria
Team Industries
Firelake Mfg LLC

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Sandy Machula
Darrell Watercott
Kristin Radunz
David Gerhardson
Kim Benson
Sharon Haley
Deb Eisenschenk
Craig Kissinger
Marjorie LaTour
Scott Mclaughlin
James Russ
Kent Wischman

Thinking about joining APICS?

APICS members can take advantage of discounts on exam fees, seminar, PDM, and certification class fees, APICS bookstore items, certification self study materials, and more. As an APICS member you get a free subscription to the APICS magazine and access to the career center where you can search hundreds of career opportunities. There are many additional benefits, to find out more, check out the membership portion of APICS.org via the following website → <https://www.apics.org/Membership> or contact your local Central MN Chapter Membership VP, Kris Radunz at VPMembership@apicscmn.org to find out how you can become an APICS member!

Central MN Chapter's Education Calendar

CPIM and CSCP Certification Review Classes

Alexandria Class

CPIM - Master Planning of Resources

Date – Mondays (starting Jan. 26th)
Instructor – Peggy Angell, CPIM, CIRM
Location - Alexandria Extrusion

CPIM - Detail Scheduling and Planning

Date – Wednesdays (starting April 1st)
Instructor – TBA
Location – Alexandria Extrusion

St. Cloud Classes

CPIM - Strategic Management of Resources

Date – Mondays (started Dec. 1st)
Instructor – Dr. Bruce Skalbeck, CFPIM, CIRM, CSCP
Location – New Flyer

Hutchinson Class

CPIM - Detail Scheduling and Planning

Date – Wednesdays (starting Jan. 14th)
Instructor – Barb Tessmer, CPIM
Location – Hutchinson Technology, Inc.

CSCP Certification Class

Date – Mondays (starting Jan.5th)
Instructor – Les Forman, CSCP
Location – New Flyer

For more information and to register for classes visit:

www.apicscmn.org ("Calendar of Events" page)

or Contact Dave Gerhardson VP-Education at VPEducation@apicscmn.org

APICS develops new 7-module “Lean” course

APICS released a seven session course “Lean Enterprise Workshop Series” earlier this year and began instructor training in June. Bruce Skalbeck attended a 3-day instructor training workshop in St. Louis, MO in late July. The 7-state Heartland District sponsored the training and had 16 instructors in the 3-day event.

The seven modules or workshops trace the “Lean Transformation Roadmap” that was developed by the course development team:

- Introduction
- Lean Culture
- Value Stream Mapping
- Stability & Process Improvement
- Just-in-Time
- Measuring
- Sustaining

The course is structured for seven 4-hour sessions with significant hands-on exercises included. An important aspect of the course is “Murphy’s Toys”, a case study that traces a toy manufacturing company’s lean transformation.

Central Minnesota APICS is excited about this new courseware and is making plans to offer this course in the 1st Quarter of 2009. Watch your newsletter and e-mail announcements for further developments.

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