

# APICS The Association for Operations Management

## Central MN Chapter

P. O. Box 457, St. Cloud, MN 56302  
Visit us at: [www.apicscmn.org](http://www.apicscmn.org)

May, 2010

**Don't miss the May 4th Professional Development Meeting & Tour as we tour Park Industries followed by Speaker David Clark of the Malco Design & Deliver Group on “Best Practices for New Product Development”**



### **Company Profile – Park Industries**

Park Industries was founded in 1953 as **Park Tool**, a manufacturer of hydraulic masonry cutters. In the years following, Park expanded its product lines and services in response to the needs of the growing stone industry. We have become the largest manufacturer of stone working equipment in North America. Currently, Park customers have over 5,350 machines in operation in over 20 countries.

Park's headquarters and manufacturing facilities are located in St. Cloud, Minnesota. Park Industries has two manufacturing facilities utilizing 82,000 square feet of production space. The products that Park produces serve the structural, rubble, landscape, curbing, monumental and stone countertop industries.

Park also has a 6,000 square foot Training Center dedicated to enhancing operator performance by “hands-on learn-by-doing” machine training. Park has a team based culture where everyone's input is valued and associates take pride in producing industry leading products.

**“Our mission is to enhance the performance of stone fabricators in North America by developing, producing and providing quality products and customer attention”**

### **Speaker Profile – David Clark, Malco Products**

The “Holy Grail” of consistently successful new product development is finding the perfect process. There have literally been tens of thousands of books and articles written on the subject of new product, each one pointing the way to the “promised land”.

Through all the clutter and noise, best practices rise to the surface. At our May event David Clark of the Malco Design & Deliver Group will present “Best Practices and Key Principles for New Product Development”. We will cut through the buzz words, “consultant speak”, and the repackaged names authors have been applying to simple product development concepts over the years.

Through 20 years of experience Dave has found these concepts to be self evident, but not always recognized or followed by practitioners. Dave will share examples from three companies and lessons learned that drive home these principals. If your company has ever struggled to make new product development work, you're sure to enjoy this presentation.

Dave has been with Malco Products since 2000, and has 20+ years of experience in sales, marketing, and new product development. Dave is a veteran of many new product development projects and is a fun and engaging speaker.

Please Register on our website, [www.apicscmn.org](http://www.apicscmn.org), by Friday, April 30<sup>th</sup>.

Park Industries is located at 6600 Saukview Drive, St. Cloud, MN 56303.

The tour starts at 5:30 with check-in starting at 5:15.

Cost: Members - \$15.00, Non-members - \$25.00, Students- \$10.00

Menu: Hamburger/Brats with Fixings

APICS is responsible for all meal reservations, including no-shows. Cancellations and no-shows received after noon on Monday May 3rd will be billed.

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## **The Spring Seminar Is Coming Soon**

**Please join the Central Minnesota Chapter of APICS for our Spring Seminar on Monday May 10th 8am - 1PM titled "Better Meetings - Collaboration Skills with Mr. John Canfield presenting at the Holiday Inn St. Cloud.**

John Canfield is an experienced business executive and coach who has successfully implemented wide variety of planning, problem solving, creativity, and innovation processes in a wide variety of teams, organizations, industries, and cultures. John has spoken to more than one thousand audiences around the world. Prior to 1990 John was a Senior Engineering Manager for Intel Corporation and later Director of Corporate Quality and Design Research for Herman Miller.

This hands-on seminar or facilitated meeting provides a number of exercises to help you develop improved thinking, approaches and skills that allow you to move past conflict and work more effectively, both in one-on-one relationships and group situations - in all sorts of meetings.

**Monday May 10th, 2010 1/2 day Seminar 8:00 AM to 1:00 PM**  
**Better Meetings 302**  
**Collaboration Skills**

In my experience, the tools (flow charts, fish bone diagrams, run charts, etc.), the hard stuff, is easy. The people stuff (working through conflict, getting things done with a variety of points of view, etc.) the soft stuff, is hard. The good news, people can learn to have more effective meetings

Conflict is in large part the emotional reaction we experience when we think a particular way. If we think of conflict as something to be avoided, we will behave that way working hard to establish and maintain what is often called "artificial harmony".

**Schedule**

7:30 AM – Sign-in  
8:00 – Session Begins  
10:30 – Break  
1:00 PM – Seminar Concludes

**Who Should Attend**

Project Management  
Supply Chain Management  
Master Scheduling  
Production Planning  
Demand Management  
Inventory Planning  
Capacity Planning  
Information Technology  
Distribution Planning  
Purchasing  
Planner/Buyers  
Change Agents  
Forecasting  
Managers  
Supervisors

**This is a fantastic opportunity to network with other professionals and discuss your Operations Management challenges!**

**APICS Members**

**You will earn 4 CE points towards CPIM & CSCP certification maintenance.**

Register at <http://www.apicscmn.org/>  
Questions: [vpseminars@apicscmn.org](mailto:vpseminars@apicscmn.org)  
Contact [www.johncanfield.com](http://www.johncanfield.com)

## Registration for Better Meetings 302 — Collaboration Skills

### 3 Ways to Register

**Online:** <http://www.apicscmn.org/> (Preferred method)

**Fax:** Attn: Mark Bashans @ 320-234-1315

**Mail:** Attn: Mark Bashans

3M Hutchinson

915 Adams Street Southeast

Hutchinson, MN 55350

**Registration Deadline:  
Friday May 7th, 2010**

Name/Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Street

City

State

ZIP code

E-mail \_\_\_\_\_ Phone \_\_\_\_\_

Please include for registration confirmation

Check / Cash \$99 member / \$199 non-member paid at the door (payable to CEMN APICS) Student \$20.00

Check enclosed

Please duplicate for additional registrations from the same company.

Please duplicate for additional registrations from the same company.  
Cancellation fee of 50% of total fees required for cancellation after the deadline.  
Cancellations after the deadline will be assessed 50% of the registration fee

## Registration for Better Meetings 302 — Collaboration Skills

This seminar will help you develop approaches, skills, and confidence that allow you to move past unproductive conflict and work more effectively taking full advantage of productive conflict.

### St. Cloud Holiday Inn

Division Street & 37th Ave, PO Box 1104,

Saint Cloud, MN 56301 1-320-253-9000

Monday May 10th, 2010

8:00 AM—1:00 pm (registration at 7:30 AM)

### Directions to Holiday Inn

**LOCATED AT THE INTERSECTION OF HWY 15 AND HWY 23, JUST FOLLOW HWY 15 OR HWY 23 TO HOTEL. FROM I-94 TAKE EXIT 167B (HIGHWAY 15 EXIT) AND FOLLOW 5 MILES.**

Presented by Central MN APICS

<http://www.apicsmn.org>

## Officer's Corner

*Good Inventory Principals and Cycle Counting*  
*Sandi Lambrecht- DCI Inc. and APICS Board of Directors*

This is just a few notes on how good inventory principals can help a company of any size. About 10 years ago I made a career move from a fairly large well established "assemble to order" manufacturing company to a much smaller "engineered to order" manufacturer. My inventory background had exposed me to a fairly sophisticated perpetual inventory and standard cost system. At the time of my move, my new company had just implemented a new manufacturing software system and were working on adjustments to the new system and sorting out the issues of perpetual inventories. When you think "engineer to order", you think of all discrete inventory, be we have a great deal of raw material that is used on an infinite amount of custom parts. We also have a mixture of various alloys and sophisticated electro-mechanical devices.

We found as we tackled the many questions and decisions, that we could start with very simple processes and make great progress. One key issue was getting part numbers and units of measure established with consistency and in the system. We worked to get all the system warehouse locations set up and audited in cases where there was inventory to account for. Once we sorted out what inventory we had and identified it, we established an ABC inventory analysis system in order to take the greatest care of material of high value and spend little time on inventory of little value. To simplify a little more, we decided to expense supply items as we purchased them. Depending on your business, you may find counting and doing transactions on day to day supplies may cost much more than they are worth.

Once we had inventory identification and storage in order and an ABC analysis established, we could start our cycle count program. The first several years we did a yearly physical inventory of all the inventory in the plant at the end of our financial year, in addition to cycle counts through the year. As those first several years passed, the cycle count adjustments steadily decreased in error rate and with good data in place we were able to eliminate a yearly complete physical inventory count. We are very diligent to cycle count all our A items quarterly, B items yearly and C items as the need arises. Obviously we can count more often and do if time allows or if a problem arises with a certain item. Cycle counts are done by both administrative personnel and our shop floor team. Our inventory control administrative person is responsible for the program. Some commodities seem to be "troublesome" in every manufacturing facility and we will do a cycle count update monthly on those. It is always necessary to account for all "WIP" and allocations during a cycle count, in order to have accuracy in your inventory and counts. Our cycle count error rate consistently runs in very low percentages. We measure based on usage numbers and on hand balances, rather than just using on hand balances at time of count, since high usage items typically are what create your shrink or loss exposure.

I am sure most companies find they have unique challenges with certain kinds of inventory commodities and we are no exception. Being in the metal fabrication business we find the standard sizes and scrap pieces we call "drop" are a huge challenge. To work through these issues, we try to structure our bills of material to cover worst case scenarios calling out the quantity of a standard size piece of raw material that will be used including the "drop" portion, unless the drop is significant enough in size to be saved for future common requirements. Obviously we depend on our bill of materials team to know and understand our usage well enough to structure bills effectively, but also they must structure in a manner to keep the material plan in a competitive price range, since those bill of material structures will be used for future bidding.

I am sure in the future we may do a physical inventory due to accounting and audit needs, but eliminating doing one yearly has saved a great deal of money and manufacturing resources. Often physical inventories will cause other errors that need correcting. We would recommend that companies, large or small, who are still working through yearly physical inventories, try to implement good inventory practices and work toward an organized cycle count program.

Hope we all have a prosperous 2010!

Thanks, Sandi Lambrecht

## **THE UN-COMFORT ZONE with Robert Wilson**

### *Attaboy!*

Seventeen years ago, I became the president of my community association. It was a lively organization with scores of activist members who were busy gentrifying an inner city neighborhood. One of my responsibilities was to deliver a monthly speech and conduct a formal meeting with a loud and raucous crowd.

Over the course of my two year stint, I always spoke from behind the lectern with my hands firmly attached to the sides in a white knuckle grip as I read from my notes. When my term ended, I felt that I might have been a more effective leader if I had some real speaking skills, and if I wasn't so afraid of being in front of an audience.

So, I joined a Toastmaster's club and began my training as a public speaker. A year later, I had completed ten speeches and the basic program, but I was still firmly attached to both the lectern and my notes. My mentors encouraged me to work without notes and to move away from the lectern. "At least stand to one side of it!" they cajoled. But I was not about to leave my comfort zone. I was plenty uncomfortable just giving a speech. Besides, no one could see my legs shaking behind the lectern.

Then the club held a speech contest. A humorous speaking contest. Now, I can tell jokes, so I was game! Four of us entered the competition, and I managed to win the third place ribbon without venturing an inch beyond the safety of the lectern. I can't recall who placed second, but I'll never forget the winner. Les Satterfield talked about an airplane flight and he soared about the room with his arms spread wide and the audience roared in laughter at his comic yarn. Later on, as I watched him receive his shiny gold statuette for First Place, I knew I had to have one. I was motivated... but not quite enough.

The next contest was for a motivational speech. Once again, I sought refuge behind the lectern. I managed to win the second place ribbon, but the gold went to Doris Posey who moved about the room and interacted with the audience.

I finally took First Place with the Tall Tales contest. I wrote my speech then practiced, practiced, practiced. On the day of the competition -- I did it -- I stepped out from behind the lectern! I told how I would pretend to be Tom Hank's younger brother whenever I flew first class, and how much fun it was to fool my fellow passengers, that was until the time I sat next to his mother.

I loved the recognition that came with that First Place trophy. It motivated me to go further; and forced me to get better. In order to win at higher levels within Toastmasters, I had to develop excellent speaking and speech-writing skills.

I went on to win 13 contests. Years later, when I was hired to give my first professional speech, I wondered whether or not I was truly worthy of getting paid to speak. As I began to have doubts, I looked at those 13 gold trophies in my office bookcase. They represented the acknowledgment that I was indeed worthy.

A few years ago, I visited successful professional speaker, David Greenberg, in his home. I smiled in understanding as I saw, prominently displayed in his living room, several Toastmaster contest trophies.

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Recognition doesn't have to be tangible to be effective. A clap on the back, a verbal "Good Job!" in front of peers and co-workers, or a blurb in the company newsletter works too. Even so, nothing works quite as long or as powerfully as something hard and shiny with a name engraved on it. However, you don't want someone resting on their laurels; to keep them motivated, put a date on those plaques and trophies. Then encourage them to renew it every year.

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](http://www.jumpstartyourmeeting.com).

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## **Welcome new members**

Christina Mitchell-Wheeler    SCSU Student  
Eva Wiechmann-Miller        Gold N Plump

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## **Central MN Chapter's Education Calendar**

### *CPIM Certification Review Classes*

#### **Strategic Management of Resources**

Date – Wednesdays (starting May 12th)

Instructor – Barbara Tessmer

Location – New Flyer

For more information and to register for classes visit:

[www.apicscmn.org](http://www.apicscmn.org) ("Calendar of Events" page)

or Contact Dave Gerhardson VP-Education at [VPEducation@apicscmn.org](mailto:VPEducation@apicscmn.org)

## Central Minnesota APICS Board of Directors

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