



January 2012

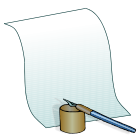


www.apicsutah.org

PRESIDENT'S MESSAGE

By Kris Baird

2011-12 Salt Lake Chapter President



As I write this, there is renewed turmoil in Egypt. People are still demonstrating on the streets and the end-game for the government is in doubt. Iran is saber rattling that they will block the strait of Hormuz where about one-fifth of the world's oil supply flows. Army Gen. Martin Dempsey, chairman of the Joint Chiefs of Staff, acknowledges that the Iranians could block tanker traffic "for a period of time," but that the U.S. has the capacity to win it back. It just a matter of how long that would take.

This reminds me of the risk management we perform in our jobs every day - the risks that our long supply chains face. Do any of your products or incoming materials go through the Suez Canal? It is likely that some of them do with an estimated 8% of the world's sea-going trade passing through the canal that provides a key link between Europe and Asia.

We can't prevent world events, but we can anticipate and manage the risks by applying sound risk management techniques. First of all, we need to stay alert and aware of national and international events. If we know of a potential situation that is a risk, we can make plans to manage it. That means we have

to communicate quickly and effectively throughout the organization any events that can interrupt our supply chains. Second, once we are alerted to a potential risk, we need to act quickly to put our plan into action. This is the plan that we developed earlier, remember? When we had time to think it through and assess the plus's and minus's of the different scenarios we envisioned. There are at least 2 reasons to act fast. The first is obvious...we want to protect ourselves and our customers. The 2nd may be less obvious.... when we are putting our contingency plan into action, our competitors are likely doing the same thing. It is also likely that we have similar thoughts of going after the same resources, which all of a sudden have become valuable and potentially scarce. Getting these resources working for us quickly could mean the difference between a manageable interruption, and a fiasco.

We all hope and pray for the best for the people of Egypt and the Middle East and that cooler heads will prevail in Iran but for the rest of us, let's check the condition of our risk management plans.

Kris Baird, President 2011-2012

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Upcoming Events:

- February PDM: Guest Speaker John Boyer
- March PDM: Plant tour at 1-800-Contacts
- April PDM: Top Management Night with Guest Speaker Mark Messick

Calendar of Events also on www.APICSUtah.org

Date:

Thursday, January 19, 2012

Time:

Meet & Greet 6:00 p.m.

Dinner 6:30 p.m.

Speaker 7:00 p.m.

Wrap up and door prizes 8:00 p.m.

Location: Salt Lake Community College SLCC, Miller Campus in the KGMC Conference Center

9750 South 300 West

Sandy, Utah

Dinner: Italian Chicken Baked Penne served with a rich marinara sauce with veggies and finished with three cheeses, or Baked Vegetarian Penne, Salad and Bread Sticks, Lemonade and Water, Assorted Cookies for dessert.

Cost: \$15 (Cash or Check only, no credit cards please).

Note: Cost is for dinner and meeting, if meeting only, please specify as there is no charge.

RSVP CONTACT:

E-mail Adam Knighton

adam.knighton@varian.com**OR**phone: [801-973-5144](tel:801-973-5144)Go to www.apicsutah.org

Stanley Prueitt

Presentation Summary - "Corporate Philosophy and Culture vs. the Process for Process Improvement"

Corporations are full of culture, politics, bad habits, and poor organization. They may have managers instead of leaders. Stove pipes instead of horizontal value streams. Conflict instead of trust. Common disadvantages instead of distinct advantages.

Once stuck in the rut of poor performance it may be tough to get on the track to operational efficiency, high performance, and market domination. There is a methodology to develop strategy and process centricity. There is a process for process improvement. This presentation addresses those methodologies, processes, organization buy-in, and the challenges with instilling lean principles in a culture that is recalcitrant to it.

**Biography**

Stan Prueitt has over 20 years experience specializing in the areas of process improvement and project management. Currently he is the director of Process Improvement for the ICS department at the LDS Church. Previously, he was a director of Project Management at the Los Alamos National Laboratory, as well as one of the leaders in the Lean Six Sigma program. Stan led a team to restructure the organization to focus on process

centricity, performance, enterprise project management, and to move the overall maturity of the organization from level 1 to level 5 of the enterprise maturity model. Stan consulted on the side with other organizations on the topics of project management, organizational efficiency, and process improvement.

Stan prides himself in his ability to not only develop strategy, operational efficiency, and process centricity within an organization, but also apply those principles in his own life. Some of his accomplishments: He is a published author; cofounder of two publicly traded renewable energy research firms; president of Thunder Ridge Wildlife Refuge; holder of one US patent; and inventor of two classified weapons program devices; adventure TV show host; lean six sigma master black belt; lean six sigma and performance management instructor; master instructor and holder of six black belts in the martial arts; owner of USLLC Tactical Marital Arts training center; professional off-road race driver; entrepreneur of two successful franchise chains; radio show host; project manager for capital, operational, and research projects for the Department of Energy; motivational speaker; certified law enforcement officer; husband and loving father of four.

Promising Shipment Dates – Part 1

Tip From Contributing Management Education & Consulting Professional

By John E. Boyer, Jr.

In the last two articles we discussed Date Management and On-Time Shipment Performance. These are prerequisites for understanding how to effectively promise a ship date to a customer's request ... something we are all interested in! In this article, I'll explain the concept of Rate-Based Due-Date-Driven Production™ (RB-DDD). Part 2 will deal with determining the rate, and Part 3 will finally explain promising the date.

Many production facilities today are organized in cells, flow lines, focused factories, or other methods for collecting manufacturing groups of products that are somewhat similar in production processes, required skills, materials, or all of these. The objective, as we have learned in JIT and Lean teachings, is to speed the flow by eliminating cost adding activities and non-value added time. Sometimes a company may have several/many of these physical groupings.

Rate-Based means that each of these groupings has a specified rate of output for some period of time ... usually monthly rates projected a few months out. In states "how much" should be produced. The rate can be expressed in units, dollars, hours, or equivalent units (EQ). It may be stated like this: Line A will run at the rate on 2,500 EQ per day in January, 2,700 in February, 3,000 in March, and 3,000 in April. The objective is to quantify the output rate so people, materials, machine time, and other related resources can be cost effectively planned. Naturally, this rate is monitored periodically (at least weekly) to see if customer demand or inventory replenishment requirements suggest that the rate should be changed.

Due-Date-Driven means that the priorities of "what the line will run" are expressed by a due date on either a work order, a schedule (common in

repetitive situations), a kanban card (yes ... a kanban card has an implied due date), or other method. The data that drives the line is the due date. Not a priority code. Not a hot list. Not yell-scream-push-and-shove until your job is done. In this high performance world that I'm describing, due-date is "king". Dates are generally assigned only out as far as normal manufacturing throughput time. Unlike the rate that may be projected out several months, due dates for prioritization may only go out a few days.

In summary, RB-DDD production means determining how much you want to produce (the rate) and in what sequence you will run product (the due date). Here are three steps to establishing a RB-DDD production methodology assuming your operation is already physically arranged in manufacturing groups:

- Assign a code to each SKU that shows where it preferably runs. Make sure this is in the item master in your ERP system.

- Create a report that shows all scheduled work in ascending due date sequence by manufacturing group. Total the quantity (i.e. EQ) by day and by month.

- Arrange the scheduled work so that each day has the Rate-Based amount each day, and maintain this daily.

These are easily said, but quite a bit of work to do. However, companies that have the stomach to take these on become positioned to take the next steps to effectively promising shipment dates. Stay tuned for Parts 2 and 3.

*John E. Boyer, Jr., President, J. E. Boyer Company, Inc.
jeb@jeboyer.com, www.jeboyer.com*

MEMBERSHIP — *The Power of and APICS Membership*

APICS Membership has its Benefits...

Happy New Year (2012) from APICS Salt Lake! This month, I wanted to share my personal story about the power of APICS membership. I've been actively involved in APICS throughout my career in supply chain. One common piece of advice I typically share with colleagues is that in order to survive in this marketplace you need to learn how to adapt.

Change became a part of my approach to work, life and continual learning. I knew that business was comprised of cycles which meant that in order to adapt, I had to prepare constantly and help others see things differently. APICS was a big part of my experience - learning, professional development and networking became fused into my career journey.

Several years passed by and I knew the gift of APICS was part of a larger challenge left for me. At that moment, I knew I needed to give back to APICS through volunteering and again helping others see a different way of approaching life's transitions. I learned that APICS could provide valuable leadership opportunities that enabled me to practice skills which would prove more valued later in my career. This was when I realized that membership benefits are more valued when you fully utilize them.

APICS gives you the opportunity to meet other professionals that can help bridge a transition that will come at some point in life. I found help when I needed it by simply asking. Finally, a good example of success that I will share for this article is my relocation from Pennsylvania to Utah. The context of this success story is meant to inspire your active involvement for the welfare of the chapter that serves you.



I relocated to Utah in early 2010. I visited the Salt Lake APICS website and contacted the board for the current meeting schedule. I was lucky because that month was Top Management night and there was a great speaker to learn from...I knew I had to attend. That night, I found myself networking with peers and decision makers. I immediately was engaged in work conversations about forecasting, planning and supply chain concepts. There were two gentlemen at the table both looking for someone with my skills. Was this chance? Or was this simply the reward for being active?

Hindsight is typically twenty-twenty, so this tells me it was the latter - initiative. The result - I was hired the next week and back to work solving more challenges for a growing company. Now, think about your situation. Are you prepared to adapt? Can

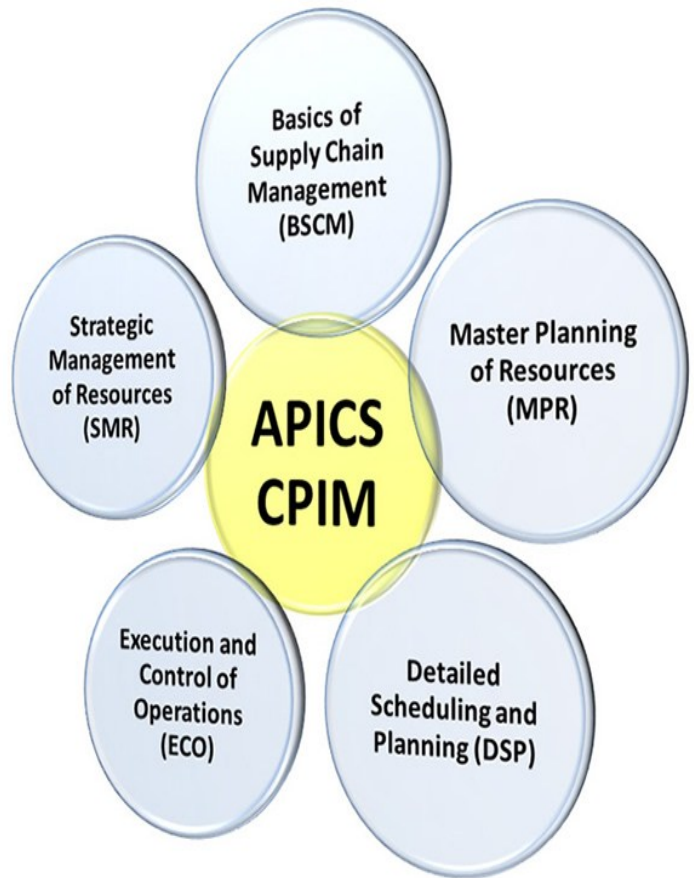
you provide value? Now is the time to consider the value that APICS can provide your career. Let us know your story!

Regards,
Josh Crandall, CPIM, CSCP
VP of Membership, Rewards & Recognition

Recession proof
your career with
APICS Certified
Supply Chain
Professional Program

YOUR 2011-2012 BOARD OF DIRECTORS

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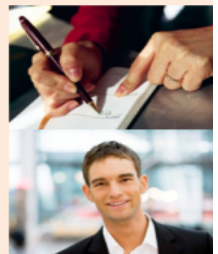
APICS Certified in Supply Chain Professional (CSCP)

- Who should attend:
- Professionals seeking in-depth knowledge and understanding of their entire supply chain
 - Employees hoping to boost productivity & collaboration
 - Innovators promoting global supply chain management
 - Managers working to affect lead time, inventory, productivity & bottom line



APICS Certified in Production & Inventory Management (CPIM)

- Who should attend:
- Production & Inventory Management - Operations -
 - Supply Chain Management - Procurement -
 - Materials Management - Purchasing -



Local CSCP Course Offering

Course: Certified Supply Chain Professional (45 Hours)

Dates: January 11 - March 21, 2012

Days: Wednesdays

Times: 4:30-8:30 PM

Location: WSU Training & Learning Center, (915 W 1000 N, Layton, UT)

Instructor: Bill Webb

Cost: \$1,295.00 (Includes course materials)

Follow this link to register: www.weber.edu/businesstraining. Look under the Heading "What's New" and click on the CSCP link for course details.