



*The Association of Operations Management:
Advancing
Productivity,
Innovation, and
Competitive
Success*



PDM Dinner Meeting

— What You Measure Is What You Get! —

Creating Enduring Performance with Maps, Metrics and Executive Dashboards

Tuesday, January 17, 2006

Our Speaker:

Ron Person

Founder, Tor Consulting, Inc.

(See Bio on page 7)



Volume 21 Issue 7

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Everyone has heard that what you measure is what you get. But:

- Are you measuring what's most strategically important?
- Are you sure your measures are critical to performance?
- Do your measures create change and action?
- Are your measures even valid?

In this accelerating world, supply chains are becoming more complex. And, 75% of the US economy is based on intangible assets – like people, processes, culture, ideas and data. When you try to measure and improve these intangibles you need to focus first on accelerating performance in areas that are part of the strategic value chain. So how do you identify areas that are critical? How do you define the right measures? And how do you test their validity? How do you make an enduring culture of performance?

In this interactive presentation, attendees will build a 5' X 12' visual Supply Chain Map and see how it overlaps a corporate Strategy Map. With these maps on the wall we will search for the causal links between internal processes and corporate strategy. Once we discover these links we can identify the leading and lagging metrics most critical to strategic success and improved performance. We will then see how an Executive Dashboard is used as an Operations Scorecard to continually monitor our contribution to strategic success.

Agenda

- 5:30 Registration
- 6:00 Dinner & Networking
- 7:00 Membership Meeting
- 7:10 Presentation:

Location

Hungry Hunter Steakhouse, 450 Bercut Dr, Sacramento. Please call (916) 650-8660, or email Ed Mercado at edmercado@msn.com and provide the attendee's name, company, telephone number, fax or email address. \$23.00 all attendees (includes dinner), \$5.00 for speaker only.

Making assumptions about current and future customers, market share, etc., is a common business practice. The purpose of this article is to: (a) discuss the dynamics of the corporate assumption process; (b) improve the accuracy of the associated assumptions.

If a manager is to assume, he/she runs the risk of making 'an ass out of u and me' (ass-u-me).

Consider the following case:

Polaroid was a pioneer in digital imagery, having designed a digital film back for large format cameras in the early 1990s. However, they didn't bring their invention to market until 1996 because they had been trying to find a way to bundle it with a printer. Polaroid was so caught up in producing instant prints, it never occurred to them that their customer might be willing, indeed happy, to look at images on a computer screen. They had made assumptions based on their then current business model, which had been in place for decades. 1

Assumptions driving patented corporate investment, entering new markets, etc., have to be defended by the associated advocate. This means that subordinates have to be permitted to challenge the assumptions of their superior without fear of recrimination. This requires an organizational culture where meetings are not conducted on a 'group-think' basis. It has been said, "if everyone thinks alike – then no one is thinking."

Avoid a corporate climate that has a culture that eventually says to employees "park your brains at the door", i.e., the manager does the thinking and the employee merely follows his/her orders. Assumptions will never be challenged in the above climate.

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January, 2006

- 9 Board of Directors meeting

- 17 Professional Development Meeting.

- 18 Webinar: Using Lean and Six Sigma in Distribution Operations
2:00 pm EST, Presented by Kevin Ellis, Senior Manager, Deloitte Consulting and Keith Nash, CPIM, Senior Manager, Deloitte Consulting, Level: Basic

February, 2006

- TBA Board of Directors meeting

- 8 Webinar: Sales and Operations Planning Best Practices
2:00 pm EST, Presented by John R. Dougherty, CFPIM, Partners for Excellence, Level: Intermediate

- 15 Webinar: Putting Intelligence into Part Number Management
2:00 pm EST, Presented by Donald Frank, CFPIM, CIRM, President, D.N. Frank Associates, Level: Basic

- 21 Professional Development Meeting.

For Sale!



APICS
Sacramento
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\$25.00

Contact Melanie Hoots at melanie_hoots@hp.com to purchase.

Computer Based CPIM Exams

Computer based CPIM exams are offered by Promissor.

All of the info you will need to register for an APICS exam can be found at <http://www.promissor.com/>

- Select "Professional Certification Exams" under the "Find Test Information" section.
- Select the "APICS..." option.

Read the "Description of New Registration Process (pdf)".

It has all the info you should need including how to get dates, locations, cost, and registration process.

Weber State University On-line APICS Certification Courses

SU Online is the virtual campus for Weber State University, delivering online courses via the World Wide Web. Five courses are offered in partnership with APICS:

- * Basics of Supply Chain Management
- * Master Planning of Resources
- * Detail Scheduling and Planning
- * Execution and Control of Operations
- * Strategic Management of Resources

Exam review courses can be taken collectively for CPIM certification or taken separately to suit the needs of the company or individual. For more information, go to <http://www.wsuonline.weber.edu>. Remember to tell them you're a member of Sacramento APICS! ☀

CIRM Courses Available On-Line

CIRM is a comprehensive educational program designed to help you understand the power of collaboration among organizational resources such as product development, marketing/sales, human resources, finance, and operations. The CIRM program enables you to effectively interact with cross-functional departments for more strategic decision making, enhanced collaboration, and improved productivity

On-line CIRM Courses are available at www.epiweb.net. Be sure to reference Sacramento APICS when registering.

CPIM Courses Available On-Line

CPIM applies to many supply chain tasks and provides the necessary knowledge to thrive in today's global competitive environment-both in terms of reducing costs and increasing customer loyalty.

Since 1973, the CPIM program has educated more than 75,000 manufacturing professionals on essential terminology, concepts, and strategies related to demand management, procurement and supplier planning, material requirements planning, capacity requirements planning, sales and operations planning, master scheduling, performance measurements, supplier relationships, quality control, and continuous improvement.

To register for your next CPIM exam, visit www.asisvcs.com/publications/html/faq_apics.asp or call Promissor Customer Care at 1-800-274-8399 or 610-617-5093.

APICS Sacramento Company Coordinators

Our Company Coordinators serve as the principal communication links between the Sacramento Chapter of APICS and their companies and fellow employees. If you work for one of the companies listed below and need APICS Chapter information of any kind, please feel free to contact them.

If you do not see your company listed below, it is because *you* haven't volunteered. To become a coordinator, call Bill Lodholz (530/666-2493) or email at lodholz@watts.com.

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Notable Quotes

A good performance, like a human life, is a temporal affair—a process in time. It is good as a whole through being good in its parts, and through their good order to one another. It cannot be called good as a whole until it is finished. During the process all we can say of it, if we speak precisely, is that it is becoming good. The same is true of a whole human life. Just as the whole performance never exists at any one time, but is a process of becoming, so a human life is also a performance in time and a process of becoming. And just as the goodness that attaches to the performance as a whole does not attach to any of its parts, so the goodness of a human life as a whole belongs to it alone, and not to any of its parts or phases.—Mortimer J. Adler

Check Out the APICS Career Center Online

Whether you are in the market for a job or just want to keep your options open, you'll want to search the APICS Career Center for available jobs, or to post your resume...the perfect fit could be waiting for you!

http://www.apics.org/CareerCenter/careercenter_gateway.htm

And don't forget that APICS is a great place to network with the employees of the region's leading employers. Not only can you mix, mingle, and network but you also receive valuable professional development information.

A job opportunity can be discovered anywhere, don't miss the chance to find one through your own local network

APICSacramento Job Opportunities Notes



Are you seeking another job or career change? Don't forget to check out the APICS-Sacramento Job Opportunities located at <http://www.apicsacramento.com>. You can also find national job opportunities by checking out the national APICS web site located at <http://www.apics.org>.

There are also many companies, consultants, and career counselors who can assist with items such as: resume writing, cover letters, interviewing skills, negotiating skills, as well as personal goals and objectives. Check out the yellow pages under Career or Vocational for this type of assistance.

Certification Maintenance Notice

If you earned your CPIM before 1999, you must submit a maintenance application by the month of your original certification. Find out more at <http://www.apics.org/Certification/Maintenance/maintenance.asp>. If you would like a handy spreadsheet to calculate your point, go to our web site www.apicsacramento.com and scroll down to 'certification maintenance' and put "certification maintenance" in the subject. Don't delay! Once the deadline passes for you, you must earn additional points to regain your certification status.

APICS Webinars

Get Tangled in Our Web of Education

APICS is pleased to announce the latest development in training and education—APICS Webinars. Each APICS Webinar lasts approximately 60 minutes and features educational discussions, case studies, and a Q&A period. All you need is an Internet connection and telephone to participate. Invite your colleagues to join you. As an added benefit, you will receive a CD-ROM of the presentation after the event.

Upcoming APICS Webinars

View a list of upcoming APICS Webinars topics and dates. Go to <http://apics.webex.com> for quick and easy access to the latest information on future topics, dates, and presenters.

Registration Information

To register for an APICS Webinar, visit and select Enroll.

Archived Events

Were you unable to participate in an APICS Webinar? Each APICS Webinar is archived and available for \$139 per viewing. Visit <http://apics.webex.com> and select Recorded Events on the left navigation bar to view an archived APICS Webinar. The archived APICS Webinar begins at time of purchase.

CPIM and CFPIM designees: Earn one professional development point toward Certification Maintenance by participating in an APICS Webinar.

APICSacramento Board Members

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Chapter Voice Mail:	916/650-8660	Chapter Website:	www.apicsacramento.com
Chapter mailing address:	APICS Sacramento Chapter PO Box 13249 Sacramento, CA 95813		

Ask APICS Industry Hotline

When APICS members need reliable operations management information to help make business decisions, the Ask APICS Industry Hotline is available to assist with their research needs. The hotline is organized by APICS in conjunction with the Rochester Institute of Technology. Contact Ask APICS by phone at (585) 475-2098, by fax at (585) 475-5240, or by e-mail at apics@rit.edu. Hours of operation are Monday-Friday, 8:30 a.m. to 2:30 p.m. ET.

Upcoming APICS Webinars

Using Lean and Six Sigma in Distribution Operations

January 18, 2006, 2:00 pm EST
Presented by Kevin Ellis
Senior Manager, Deloitte Consulting
and
Keith Nash CPIM
Senior Manager, Deloitte Consulting
Level: Basic



Supply Chain Management Certification Program

Prepare for the APICS CPIM exam while earning an academic certification from CSUS. Please contact Carla Vincent at vincentc@csus.edu or (916) 278-4524 or visit www.cce.csus.edu and look for Business Operations under Courses & Programs. Each the seven Supply Chain Management courses are offered once each year. Please call (916) 278-4433 to register.

All courses are held at CSUS Campus, Sacramento on Tuesdays and Thursdays. Dates and times are subject to change. Please visit www.cce.csus.edu for up-to-the-moment course schedules. Now is the time for you to start working towards your certification in Supply Chain Management. For more information on these and other certificate program courses, contact ccebusiness@csus.edu .

*APICS members receive a 10% discount

Speaker's Bio: Ron Person Founder, Tor Consulting, Inc.

Tor helps organizations translate strategy into high performance results.

Ron is a dynamic speaker drawing his audience in with participative exercises that leave them with valuable skills. He has spoken before Microsoft and American Society for Training & Development conventions as well as numerous business and professional organizations.

Prior to his twenty year career as an independent consultant, Ron served as manager of competitive analysis for a Fortune 500 corporation. In 1985 Microsoft selected him as one of their first twelve consulting partners. For twelve years he spoke at national and local conferences as an evangelist for Microsoft Windows and Excel.

Ron has written more than twenty business-computer books published by MacMillan and has four international best-sellers with almost four million copies in print.

As an entrepreneur Ron founded and operated a training company serving Fortune 1000 clients. He also founded and served as CEO for a knowledge-management startup that published best-practices over web and wireless Internet.

Education and Credentials:

- Trained as a strategic planning facilitator by the Institute of Cultural Affairs and Center for Strategic Facilitation
- Six Sigma Black Belt in performance and quality improvement, Villanova University
- MBA Marketing and Finance, Hardin-Simmons University
Highest honors
- MS Physics, The Ohio State University
- BA Physics, US Air Force Academy, Honors
- Former instructor, UC Berkeley, Train-the-Trainer credential program

Past clients include:

- Microsoft
- Washington Mutual
- Pacific Gas & Electric
- FMCC
- California State Automobile Association
- University of California, Berkeley
- Sonoma State University

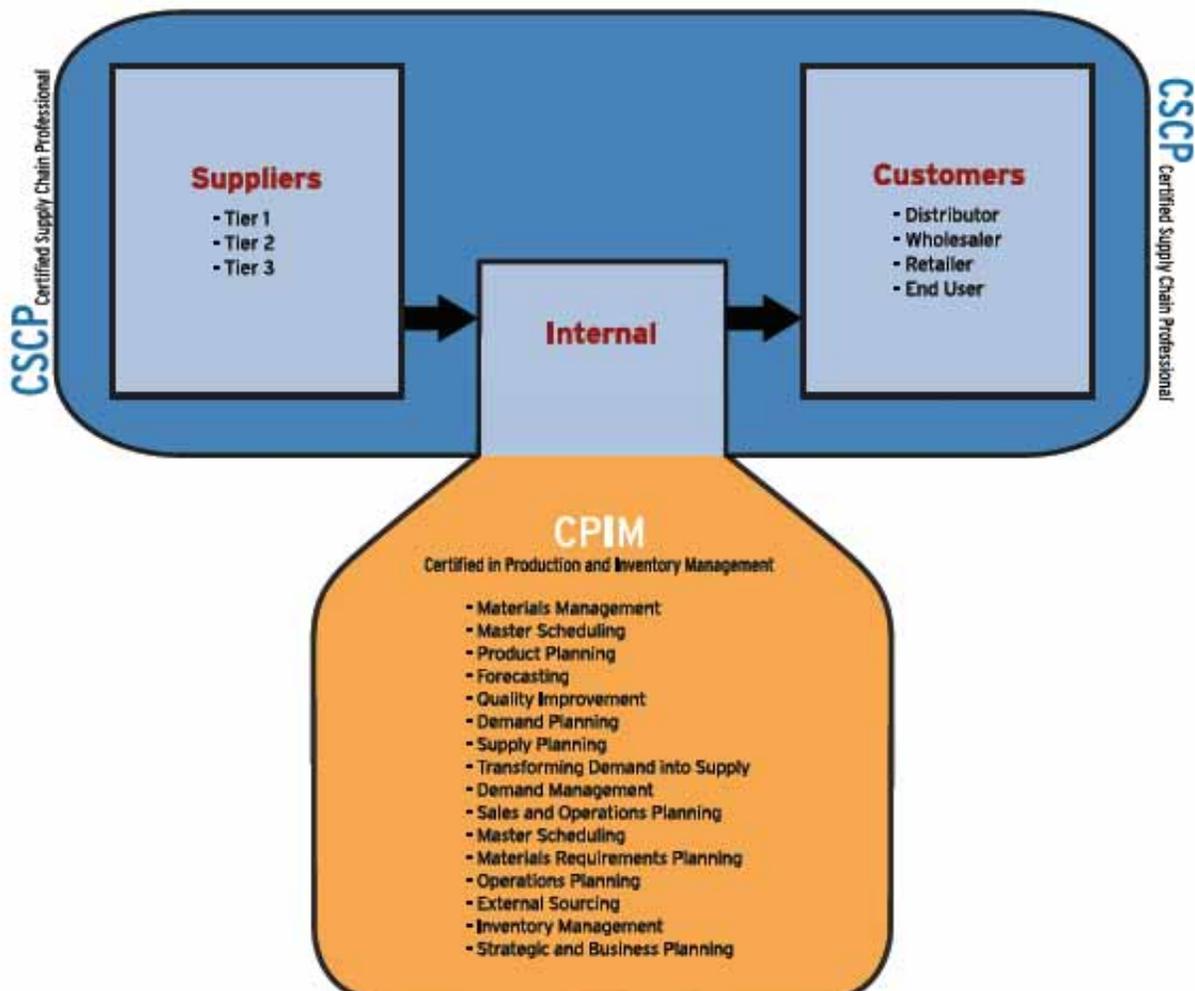
APICS Certifications Professional Advancement through Education

APICS The Association for Operations Management is the global leader and premier source of the body of knowledge in operations management. APICS' certification programs are recognized worldwide as the standard of professional competence in production and inventory management and enterprise resources management. On March 8, 2005, APICS announced the expansion of its certification programs with the development of the new industry certification—APICS Certified Supply Chain Professional (CSCP) designation. With the addition of the CSCP designation, APICS enhances its validation of the disciplines within operations management, specifically production, inventory, and supply chain management, and the integration of operations within the enterprise.

The APICS Certified in Production and Inventory Management (CPIM) certification provides a common platform for individuals to evaluate their knowledge of production and inventory management. CPIM focuses primarily on manufacturing and provides an in-depth view of materials management, master scheduling, production planning, forecasting, and quality improvement within the confines of the operation. Building on the depth of the CPIM knowledge, the CSCP certification will take a broader view, extending the CPIM knowledge outside a company's internal operations to encompass all the steps throughout the supply chain—from suppliers through the company to the end consumer—and how to effectively manage the integration of these activities to maximize a company's value chain.

Candidates in both the CPIM and CIRM programs should definitely continue to pursue their APICS certifications. The three certifications (CPIM, CIRM, and CSCP) are completely separate and distinct programs that concentrate on specific disciplines in the field of operations management.

CSCP/CPIM Educational Relationship



CBA On Line Job Board

The CSUS Office of Student Affairs recently launched an online Business Job Board and it has been an overwhelming success. They have had numerous employers already post their positions and hundreds of students have accessed the site. If you have a position you would like to post student assistants/TA) or have business colleagues who would like to hire business students please share this link with them. The new program will meet the employer's needs while providing internship/employment opportunities in the community to CSUS business students. The new on line Job Board can be accessed at: www.cba.csus.edu/bjb Please log in and follow the directions to post your current or any future positions.

If you have any questions, please feel free to contact CSUS office.

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downeycr@csus.edu
www.cba.csus.edu/Student_Affairs

Job Opportunity

Strategic Sourcing & Supply Chain Strategies, located in Pleasanton/Sacramento (preferred), CA has an opening for a CPS/Indirect Product Senior Buyer.

Qualifications: The following are preferred or desired unless specifically stated:

- * 4-year college degree or equivalent business experience.
- * 3-5 years procurement experience in negotiating contracts and managing strategic supplier alliances.
- * General procurement systems knowledge.
- * Working knowledge of contract law, government policies and regulations for the food and drug industry.
- * Diverse experience and knowledge in various aspects of supply chain preferred (3-5 years).
- * Grocery or Retail experience.
- * Strong analytical skills.
- * Must be flexible and customer oriented, projecting a positive attitude.
- * Possess initiative, resourcefulness and a passion to serve stores and Retail Departments.
- * Working knowledge of buying systems. (ADAGE, SSIMS and FIP knowledge is a plus)

* Computer knowledge of Microsoft Excel, Access, Visio and Microsoft Project.

Key Responsibilities include, but are not limited to:

- * Responsible for negotiating and contracting for various departmental store-operating supplies, maintaining lowest possible cost products and maintaining acceptable warehouse service level, turns, and inventory levels.
- * Seek and drive opportunities to leverage Safeway volume.
- * Develop, maintain and manage strategic supplier relationships.
- * Execute cost savings initiatives.
- * Initiate and drive best practices for all sourcing initiatives.
- * Implement and manage key strategic projects.
- * Work in conjunction with Sourcing and Retail Specialists to drive cost savings opportunities.
- * Support and drive key supplier negotiations as needed.
- * Produce reports highlighting any product potentially "at risk."
- * Travel required 10%.

**** PLEASE SUBMIT ALL RESUMES TO EMOORE@PROCUREMENTSERVICES.COM OR MWILLIAMS@PROCUREMENTSERVICES.COM**** More available jobs at www.procurementservices.com

Dynamics of Corporate Assumptions (cont.)

(Continued from page 2)

What are some of the erroneous assumptions often made by corporations? Although the list is lengthy, I will, in this article, call attention to three particularly dangerous assumptions.

Dangerous Assumption #1: Firms that are first into a market will end up dominating it. It has been said that "across a whole range of industries, market pioneers end up holding a 30% share of their markets, compared with 13% for latecomers.

...A new paper argues that the above research is flawed. "Gerard Tellis, of the University of Southern California, and Peter Golder, of New York University Stern Business School, say that previous studies are based on surveys of surviving companies and brands, thereby excluding all the pioneers that failed. This helps some companies to look like pioneers even when they were not. Procter & Gamble (P&G) has boasted that it created American's disposable nappy (diaper business). *(Continued on page 10)*

l(Continued from page 9)

n fact, a brand called Chux had been launched a quarter of a century before P & G entered the market in 1961.” 2

Dangerous Assumption #2: A rather counter-intuitive, dangerous assumption is to strive to outperform the competition. It's counter-intuitive because it contradicts American values. Who wins the World Series? Answer: the team that outperformed the competition. Who wins the Super Bowl? Answer: the team that outperformed the competition.

Who wins the gold medal in an Olympic event? Answer: the athlete that outperformed the competition. Why then is it a dangerous assumption to strive to outperform the corporate competition? Answer: two researchers have found that "...less successful companies were stuck in the trap of competing. Their strategic logic centered around building competitive advantages. They benchmarked the competition and focused on outperforming rivals. The result was a perpetual cycle of offering a little more for a little less than competitors. The competition, not the customer, set the parameters of their strategic thinking.” 3

Dangerous Assumption #3: Firms often assume that the more variants of a product they bring to the market, the greater is the probability that the consumer will buy at least one of these products. Consider the research of social psychologist, Dr. Alexander Chernev of Northwestern University's Kellogg School of Management. "...Chernev found that when people were offered variants of the same brand of toothpaste – cavity-prevention, tartar-control and teeth-whitening types, for instance – they tended to switch to another brand that offered a single option.” 4

This is not a comprehensive list of dangerous assumptions. It should, however, provide a useful starting point for evaluating assumptions. Vital corporate decisions such as "(a) resource allocation; (b) marketing strategy; and (c) personnel decisions, etc., are predicated on associated open or tacit assumptions.

Given their importance – corporations must strive to provide an open, non-recriminatory climate to review and assess vital corporate assumptions. If the corporation does not do this today, the marketplace will do it tomorrow!

References

1 Baumgartner, Jeffrey – article appeared in Report 103, July 13, 2004, issue and downloaded (8/17/05) from jpb.com [Destroy your Assumptions", http://www.jpb.com/articles/article_destroy.php?topic=creative, p.1

2 "Why First May Not Last", *The Economist*, March 16, 1996, p. 65.

3 Kim, Chan W. and Mauborgne, Renee, "On the Inside Track," *Financial Times*, April 7, 1997, p. 10.

4. DeAngelis, Tori, "Too Many Choices?," *APA Online* (downloaded 12/3/04 from http://www.apa.org/monitor/June_04/toomany.html) p. 2.

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