



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



Network Meeting



March 9 JOINT Networking Affair APICS and NAPM (ISM)

"JOINT NETWORKING WITH FELLOW PROFESSIONALS"
Co-sponsored with NAPM (ISM) Sacramento Valley

Volume 20 Issue 8

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ONCE A YEAR. ONLY ONCE A YEAR. Save the date to network with fellow professionals. Bring lots of business cards! THIS WILL BE A PURE, UNMITIGATED NETWORKING AFFAIR.

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There will be door prize drawings for great prizes. Food and soft drinks provided. A No Host Bar will be available.

Date: Wednesday, March 9, 2005

Cost: Free event for members and prospective members;

CALL IF YOU HAVEN'T RESERVED YOUR SPOT YET....
RESERVATIONS: LEAVE MSG (916) 650-8660

6:00 Check In and Networking
7:30 Announcements and Door
Prize Drawings

Location

Strada Pasta & Grille
3425 Orange Grove Blvd.
North Highlands, CA 95660

UNDERUSED BUT EFFECTIVE

Lean manufacturing's continuous improvement toward a "lot size of one" has encouraged the dumping of traditional lot-sizing formulas on the scrap heap of history. But not all businesses have products or processes subject to a quick conversion to lean. Some still require transitional lot-sizing rules.

Fortunately, there's another order rule that can do the job. It may not be well understood, and it is definitely an underused resource. But it's likely to generate better results than fixed or economic order rules. Welcome to the world of the period order quantity (POQ).

The *APICS Dictionary*, 11th edition, defines POQ (in part) as, "A lot-sizing technique under which the lot size is equal to the net requirements for a given number of periods, e. g., weeks into the future." It works this way. The POQ rule enables the user to define the number of future periods used to calculate the order quantity for a required part number. If a POQ of three days is defined for a part and the next net requirement is due February 10, the order quantity is equal to the sum of the net requirements for February 10, 11, and 12. This provides for a consistent delivery schedule. A POQ of 3 will ensure that three days' worth of inventory is ordered and received every three days. With POQ, the quantity received varies according to demand, but the interval of demand satisfied is constant. A POQ synchronizes material input with planned output using future periods that reflect the wide fluctuations in demand that most organizations experience.

Contrast the POQ rule to the more widely used and understood economic order quantity (EOQ) rule. As lean manufacturing advocates have pointed out for years, the EOQ formula assumes constant or average demand and cost factors that seldom actually occur each period. The result is an order quantity of questionable validity.

Let's look at how EOQ and POQ differ for similar situations.

(Continued on Page 9)

APICS Sacramento Calendar



March, 2005

- | | |
|---|---|
| 3 | Board Meeting - ConCall 4 pm |
| 9 | Professional Networking Meeting with NAPM(ISM). |

April, 2005

- | | |
|-----|--|
| TBA | Board of Directors meeting |
| 13 | APICS Sacramento Chapter Presents Project Management
<i>Delivering Success & ROI on Supply Chain Initiatives</i> - See page 3. |
| 19 | Professional Development Meeting. Top Management Night. Speaker: Prof Maureen Lojo, CSU Sacramento.. |

APICS Sacramento Chapter Presents Project Management

Delivering Success & ROI on Supply Chain Initiatives

This seminar has a heavy emphasis on supply chain processes and driving organizations to improved performance.

Come prepared to learn, debate, apply, and leave with knowledge that will make you successful in managing change.

\$275 per person*

*4 or more & save \$25/person
*Register at least 2 weeks in advance & save \$25/person



Location & Date

Holiday Inn Capital Plaza
300 J Street
Sacramento, CA 95814
Apr 13, 2005

Learn
Debate
Apply

This fast paced and intense seminar is designed for Supply Chain Professionals who need to:

- ✓ Generate support for improvement initiatives and get projects launched correctly
- ✓ Leverage the appropriate techniques for effectively managing and planning improvement initiatives
- ✓ Bring projects in on-time, on-budget, and on-target
- ✓ Rescue projects that are not meeting expectations

Learn
Debate
Apply

For more information:

Email: seminar@transformanceadvisors.com

Telephone: 720-565-9549

Visit: www.apicsacramento.com

For Sale!



APICS
Sacramento
Denim Shirts
\$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 Brenda Marsh (916) 447-8205 or email at brcben@sbcglobal.net.

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Blue Rose Company

Brenda Marsh

Motion Control Engineering

Notable Quotes

A culture may be conceived as a network of beliefs and purposes in which any string in the net pulls and is pulled by the others, thus perpetually changing the configuration of the whole. If the cultural element called morals takes on a new shape, we must ask what other strings have pulled it out of line. It cannot be one solitary string, nor even the strings nearby, for the network is three-dimensional at least.—Jacques Barzun (b. 1907), U.S. educator, author. "The Bugbear of Relativism," *The Culture We Deserve*, Wesleyan University Press (1989).

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

Carol Thompson
VP Job Opportunities

APICSacramento Job Opportunities Notes



Are you seeking another job or career change? Don't forget to check out the APIC-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 \$99 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.

The Educational Society for
 Resource Management
 PO Box 13249
 Sacramento CA 95813

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APICS Webinar

Overcoming Obstacles to Overseas Outsourcing



Steve Novak CPIM, CIRM
 President
 PPR Management Services, LLC

3/16/2005 \$139 2:00 pm EST 3:00 pm EST



Materials Management Certification Program
 Supply Chain Management Certification Program

Prepare for the APICS CPIM exam while earning an academic certification from CSUS. Please contact Jennifer Williams at jennifer.williams@csus.edu or (916) 278-4268 or visit www.cce.csus.edu and look for Business Operations under Courses & Programs. Each of the six Materials Management courses and 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. Call Tanis Perez for more information at 916/748-8194.

Courses	Dates	CEU	Course Fees
Core Courses (Required for both Materials Management and Supply Chain Management)			
Detailed Scheduling and Planning	Feb. 14 – Mar. 16, 2005; No class Feb. 21 Mon. & Wed., 5:30 - 8:30 p.m. Course code: 05SMM6031 Terrell Thruston	2.7	\$489
Execution and Control of Operations	Apr. 18 – May 16, 2005 Mon. & Wed., 5:30 - 8:30 p.m. Course code: 05SMM6041 Donald Clark	2.7	\$489
Strategic Management of Resources	May 23 – June 22, 2005; No class May 30 Mon. & Wed., 5:30 - 8:30 p.m. Course code: 05RMM6051 Donald Clark	2.7	\$489
Core Courses (Required for only Supply Chain Management)			
Logistics	Mar. 28 – Apr. 11 Mon. & Wed., 5:30 - 8:45 p.m. Course code: 05SPM0051 Craig Duehring	1.6	\$349

(Continued from Page 2)

POQ requires less user maintenance and reflects current demands. EOQ requires the user to change the elements of the formula when demand, part cost, setup time, or carrying cost changes. To keep the EOQ valid, the organization must staff for a detection, analysis, and maintenance task that is often difficult to fund. Additionally, necessary changes may be apparent only at the product family level. When family-level, aggregate demand is unchanged, it tends to obscure changes in mix—and the need to adjust the EOQ—for lower-level components. A similar situation occurs when the standard cost, work center, or setup cost for a part changes.

POQs, on the other hand, are calculated only on planned and actual requirements each time material requirements planning is run. Continual updating is not required because they are not affected by part cost, setup time, or carrying cost. POQ controls inventory performance and overhead costs. With EOQ, as demand increases for a period, more supply orders must be issued; more receipts must be transacted; more stocking transactions must be performed; and more invoices must be issued, received, posted, and paid. All of this increases costs and opportunities for errors that, in turn, create system data integrity issues and even more costs.

But POQ allows demand to increase for a period without the corresponding increase in overhead costs, because the order quantities mirror the increase in demand. The EOQ might require six orders of 100 each while the POQ, for the same period, might require just one of 600. Both would satisfy requirements for the same time period, but using the POQ would require one-sixth of the indirect overhead.

With POQ, there is one order per period that may be 3 days, or 23 days, or 7 weeks, or 3 months...whatever makes sense on a part-by-part basis. The value of the inventory on hand will increase and decrease with the changes in demand or order quantity, but the days of supply and inventory turnover performance remain constant because the order quantities mirror the planned output rate.

Terry Finefrock, CPIM, has consulted on ERP performance and senior manufacturing roles with General Electric, Burroughs, Allied Signal, Chrysler, General Instruments (Motorola), and Burr Brown (Texas Instruments). He may be contacted at tlfinefroc@aol.com.