

PDM Dinner Meeting

Tuesday, August 19th
Effective Inventory Reduction
Presented by: **Ed Mercado, CPIM, C.P.M.**

Having a lot of inventory on hand affects the ever important working capital amount needed for smooth running of a firm. Inventory on hand uses up cash that could otherwise be used to pay operational expenses. Keeping a lot of inventory on hand also drives up operating expenses primarily due to the amount of coordination and work needed to order, receive, handle, monitor, store and manage said inventory.

Simply put, the goal of inventory management is to balance the cost of holding inventory with the needs of the customer. How do we attain such a goal?

This month's presentation will summarize how to assess the inventory management process to ensure that certain business considerations are met; such as, meeting the basic demands of effective inventory reduction; obtaining a clear and agreed understanding of the firm's operational environment; and better alignment of objectives among all departments.

Agenda

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

Location

Lionsgate Hotel & Cottage Suites
3410 Westover Street
Sacramento(McClellan), CA 95652

Please RSVP with Tim Kott at
tkott@tescocontrols.com

* Please provide attendees name,
company, telephone number, fax or
email address. \$30 per person for
dinner and speaker.

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Speaker's Biography

Ed Mercado has been involved for some years in materials management including materials planning, inventory control, warehousing and purchasing. He has taught at the Sacramento State classes in operations management and quality principles, and inventory principles workshops at Sierra College. He is also a course instructor for APICS, the Association for Operations Management. He is the author of a newly published book "Hands On Inventory Management" © 2008, Auerbach, ISBN-10 0849383269. He is an avid tennis enthusiast and plays local tournaments when the sun is not too hot.

President's Message

Dear Members,

We are headed into August already and we are embarking on yet another new and challenging year in the world of APICS. We face many challenges in the year to come, some of which are: educational offerings, maintaining membership, and offering quality PDM's (Professional Development Meetings) that encourage your attendance, just to mention a few.

I wanted to take this opportunity to introduce your local chapter 2008 – 2009 Board Members. I would like to encourage each and every one of you to come out and join us on the third Tuesday of every month, this is **YOUR** Chapter, and we work for you. Please be involved enough to let us know what we can do to make your involvement with APICS more valuable.

I am **Pat McCarty, 2nd term President**. I am a planner at Siemens Healthcare Diagnostics in West Sacramento. I have been involved in APICS since 2000. In summary of 2007/2008, the board rewrote the by-laws and submitted them to the national chapter. We have worked to provide classes, support and direction on issues that are relevant to our members and guests. We will continue to bring interesting speakers, opportunities for networking, and current topics to the chapter, while hosting monthly PDM dinners in an inviting location.

Bill Lodholz has the elite honor of being **Past President**. Bill is the Information Technology Manager for Watts Water Technology in Woodland. Bill has been a member of APICS since 1987 and brings a wealth of knowledge and experience to the board. When I asked Bill what he did in his spare time, he responded by saying "What spare time" then added he and his wife Jean had joined the Sacramento Music Circus this year and were enjoying some of the benefits of that.

Our returning **VP of Education** is **Herb Blake**. He is a Professor of Operations Management at Sacramento State University. This is Herb's second year in this role and he is going to be extremely busy with all of the offerings we have planned. Herb has been a very active member of APICS since joining in 1979. He devotes his spare time to his wife and their two adult children, whom he is very proud of.

Beverly Paul is **Treasurer**. Beverly is an Accountant/Analyst at Sutter Connect. She has been a member of APICS since 1987. Bev devotes her spare

time to her work as the church treasurer and auditor for the United Prospectors group.

Andre' Alves has been elected to the **Secretary** position. Andre' is the Supply Chain Logistics Analyst at VSP. He has been a member of APICS for two years, and is excited about having this opportunity to "give back" to the chapter. His hope is that he will be able to mentor some of the other members of the Sacramento Chapter. Andre' was chosen by APICS National to participate in the Future Leadership Program. This is a distinct honor; with over 2000 submissions, only 8 people were selected from around the world. This is a year long commitment and I am confident that Andre' will make every one of us in the Sacramento Chapter very proud. Andre and his wife recently purchased a new home and are happily making preparations to adopt a baby. This will be a very exciting year both personally and professionally for Andre'.

Our **VP of Marketing** is **Ed Mercado**. Ed is a Materials Manager for a pre-engineered company, and a newly published author of *HANDS ON INVENTORY MANAGEMENT © 2008 Auerbach*. I encourage all of you to check it out. He has been a member of APICS since 1995. Ed is an avid tennis enthusiast and a perennial piano and chess beginner. Ed also enjoys just spending time with his family.

Tim Kott, Purchasing Manager at Tesco Controls, is returning as **VP of Programming**. Tim has been involved in APICS since 1989, and is also a member of ISM and The American Purchasing Society. Tim is an avid golfer and professional skier. He is the owner of Virtual Snow, a simulator that is used to train skiers and snowboarders. In Tim's spare time he likes to enjoy Maui.

Our **Director of Technology** is **Randy Beck**, without whom we would have no web page! Randy is the Senior Systems Engineer at PRIDE Industries. He has been involved with APICS since 1996 and does an awesome job of keeping us informed within our own Sacramento Chapter, while also linking us to District and National. In his spare time, Randy enjoys nature photography, hiking, and exploring State and National Parks.

Kevin Moynihan is **Director of Company Coordinators** and would love to have any or all of you volunteer to help him bring companies to APICS. Kevin is the Director of Inventory Management at TASQ Technology in Roseville. Kevin is dedicated to rebuilding this portion of the chapter this year. Please let him know if you feel you can help. Kevin has been a member of APICS for approximately 10 years. He spends his spare time refereeing or watching soccer, enjoys his motorcycle, and is completely devoted

to his wife. He has a son and daughter as well as a granddaughter and new grandson, all of whom he adores.

Esther Odufuwa is **VP of Membership**. Esther is currently working at EDD, and has a Chemical Engineering background with years of experience in Production & Operations Management. She has been a member of APICS for three years. Esther's spare time is spent with her husband and 2 young children which are both under the age of 3 (yikes!). She is enjoying life with her children, visiting family and learning new cultures.

Charles "Chas" Withrow is our **Editor**. He currently holds the position of Senior Consultant, with A.T. Kearney's Global Supply Chain Consulting Practice. Chas is a brand new member of APICS, just celebrating his 1st year anniversary. We are so thankful that he wanted to help out the chapter in anyway he could (volunteers are wonderful). Chas is a marathon runner and tri-athlete, and enjoys camping and snowboarding with his wife and 3 daughters.

We have two **Directors at Large**:

Glen Lewis, is the Energy & Supply Chain Management Advisor for California Institute of Food & Agricultural Research (CIFAR) Department of Food Science & Technology, College of Agricultural & Environmental Sciences. Glen feels he can best give back to APICS through mentoring the student chapters. He never lets us forget that we have this extension up in Chico and makes a trip up to see them every chance he gets. Glen is very busy with his company GEMS, traveling around the United States working. If any of you have a couple of extra minutes please drop Glen a line and ask him about GEMS, it is truly fascinating and I know that he would be glad to share his knowledge and excitement with you. Glen has an adorable wife, Jill, whom we had the opportunity to meet at the June PDM, together they are raising two teenagers, a boy and girl

Melanie Hoots is the Regulatory compliance program manager in HP's Environmental Marketing and compliance team. She has been a member of APICS since 1990 and became involved with the Sacramento Chapter in 1993 as a board member as well as an instructor for the CPIM review classes. Melanie enjoys spending her spare time with her husband and two daughters. She enjoys outdoor activities, such as backpacking and kayaking, and is loving the challenge of introducing her daughters to them as well.

Calendar

August, 2008

- No Board of Directors Meeting
- 19 Professional Development Meeting
Speaker: Ed Mercado

September, 2008

- 2 Board of Directors Meeting
- OPEN TO ALL -
Location: Panera at I80 and Truxel
- 16 Sierra Nevada Plant Tour

October, 2008

- 7 Board of Directors Meeting
- OPEN TO ALL -
Location: Panera at I80 and Truxel
- 21 Professional Development Meeting



Online CPIM Review Courses
Fox Valley Technical College
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- Interactive Learning
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For more information, contact
Anne Haberkorn, CFPIM, CIRM, Jonah
(920) 996-2897

APICS Fox Valley Technical College
Knowledge That Works

Editorial

Purchasing Without Paper

By Bill Lodholz
Past President

A wise man once told me that a completely paperless office was about as much use as a completely paperless restroom. In other words, there will always be some paperwork, our task is to make sure it is important to the process. Consider the amount of paperwork that is produced when a company procures a standard inventory item from an approved vendor (i.e. Order Report, Request for Quote, etc.).

By my count, it took 22 forms, reports or other documents to order and receive an item before we could use it. Each piece of paper is a potential source of trouble. Even a simple input error can create another pile of paper as well phone calls to straighten it out.

Now, in order to support the generation and processing of this pile of paper, there are a number of people involved (i.e. Planners, Buyers, etc.). In my case, I have eight people moving the mountain of paper that is required to procure anything from a rocket engine to a lock washer! Obviously, we want to get rid of a pile of paper and involve as few people as possible in our purchasing activities. Oh, and by the way, we also need to keep the accounting department, the auditors and the IRS happy.

In our quest to reduce our pile of paper, we first took a look at the factors that drove our paper addiction. Because of the variables such as vendor location, size and weight of the materials and modes of transportation, we realized that we could develop different models of the procurement process. Each model would require different amount of paper and people to close the loop. Regardless of the methods we chose, the goal remains the same; accomplish

the task correctly, in a timely manner and with a minimum amount of paper and people involved.

When we looked at our product mix and where our vendors were, we determined there were two main variables: How the materials could be packaged and how it could be delivered. We looked at two methods in each of these variables. Early on we decided that we would need to make use of standardized containers. Materials can either come in standardized containers or not. Likewise, when we look at how material was delivered, we determined that it could come in a vendor truck, or not.

In addition to working with these models and identified variables, we made judicious use of our computer system for electronic accounting purposes and inventory control. Some modification to the computer system was necessary, but since we had MIS staff available this was not a problem.

In a world where paper based processing is bountiful, regardless of the innovative technologies deployed or best in class processes used, there are opportunities to reduce paper. Just look around you and ask how the systems and the processes would change if paper was not involved. It is my belief that with untethered thinking and a little ingenuity, paper could be reduced making a great success story for your sustainability initiative.

**This article was edited for space limitations. The entire article is in the 1997 APICS Conference Proceedings and in the APICS CPIM reprints.*

Upcoming Int'l Conference

APICS International Conference & Expo September 14-16, 2008 Kansas City, Missouri USA

This is the premier educational event for operations management professionals looking for cutting-edge solutions for the global supply chain, sustainable operations, forecasting, demand management, and more.

This year boasts a host of new educational opportunities designed to offer solutions for the hottest issues encountered every day by operations professionals around the globe.

This year's conference has an exciting line up of featured speakers. Darcy Winslow, Global Director of Women's Performance Footwear at Nike, will discuss the global supply chain and how strong relationships with athletes and consumers help build Nike's productivity and bottom line. Also featured is Blake Mycoskie, Chief Executive Officer at TOMS Shoes, who will discuss building a global business with an altruistic core. Also, John Replogle, Chief Executive Officer of Burt's Bees, will reveal how he maintained profits and productivity while incorporating sustainability into the company mission.

For more information, or to register for the conference, visit <http://www.apics.org>.

New CPIM Classes Scheduled!

The Sierra College Workforce Development & Continuing Education Division, through CACT (the Center for Applied Competitive Technologies) has partnered with the APICS Sacramento Chapter of the Association for Operations Managers, to offer a series of courses starting September 9 in Roseville, CA at the Sierra Gateway Campus.

The courses will prepare participants for the APICS professional exam to become Certified in Production and Inventory Management (CPIM). APICS administers the CPIM test.

For more information, and to register for classes, visit www.sierracollegelearning.com.

Year 2008-2009 Class offering

2008

Basics of Supply Chain Management ... Sep 9 to Oct 16
Detailed Scheduling and Planning Oct 28 to Dec 11

2009

Execution & Control of Operations Jan 13 to Feb 19
Master Planning of Resources Mar 3 to Apr 9
Strategic Management of Resources Apr 21 to Jun 2

NEW APICS Webinar Series

Innovative and Creative Techniques for Solving Global Demand Management Issues

October 7, 9, 28, 30, November 4, 6, 2008

Presenter: Gary A. Landis, Ed.D. CFPIM, CIRM, CSCP

For more information or to register visit www.apics.org/Education/Webinars/default.htm

APICSacramento Board Members

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Check Out APICS Career Opportunities Online

Are you seeking another job or career change? Don't forget to check out the APICSacramento Job Opportunities located at <http://www.apicsacramento.com>. A job opportunity can be discovered almost anywhere, so don't miss the chance to find one through your own local network.

And whether you are in the market for a job or just want to keep your options open, you will also 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/Resources/careercenter>.

APICS Sacramento Company Coordinators

Company Coordinators serve as the principle 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, email Kevin Moynihan at kmoynihan@tasq.com.

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