



*The Educational Society for
Resource Management*



PDM Dinner Meeting

— Least Total Cost Inventory Management —

Tuesday, September 14, 2004
Speaker Mike Loughrin, CFPIIM, CIRM
(See Bio on page 3)

Volume 19 Issue 12

Inside this Issue

Inventory is one of the largest investments for many companies and also one of the most under-managed strategic resources. Today's supply chains tend to be very complex. High costs and low service often result when these complex supply chains are guided by improper inventory management policies. The simple rules of thumb and faulty "black-box" software systems common in many organizations do not provide the proper means to determine the allocation of your precious inventory investment

The most effective means to manage your inventory investment is to understand all the types and reasons for inventory across your extended supply chain and then drive towards the "least total cost." This presentation will focus on how Supply Chain Management professionals can step back from ineffective methods and create a process to manage inventory across their extended supply chains.

RSVP by Friday, September 10, 2004

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.

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Message from the Board

An Opportunity

It's not too late to register for the international conference. One of the advantages of your APICS membership is a reduced rate for conference registration. This year the conference will be held at the San Diego Convention Center in San Diego, CA on October 10-13.

The conference offers quality informational education sessions, networking opportunities and even great music. The educational sessions offer strategies to maximize profits, real life experiences, best practice sessions, business and technical solutions to give your company a competitive advantage, and emerging technologies and strategies for optimizing your operations. The different Tracks offered in the educational sessions are enterprise quality management, lean strategies, project management, small business issues, emerging trends, personal and professional development, and supply chain management essentials.

For networking and entertainment, there are networking box luncheons and receptions. The networking receptions allow you to enjoy complimentary refreshments and light snacks while you mingle with exhibitors, sponsors, and colleagues. The welcoming reception "APICS Disco Inferno" will have a 10 piece 70's band.

Sounds like a really great educational and exciting time. Hope to see you all in San Diego.

Beverly Paul, CPIM
APICS Sacramento Secretary/Treasurer

APICS Sacramento Calendar



September 2004

- 14 Professional Development Meeting. Least Total Cost Inventory Management presented by Mike Loughrin.
- 15 Demand Management Seminar at Holiday Inn Capital Plaza, 300 J Street, Sacramento, CA 95814. For more information and to register: seminar @transformanceadvisors.com Telephone: 720-565-9549
- TBA Board of Directors meeting 6:00 PM at Lyons near Richards Blvd and I-5

October, 2004

- 10-13 APICS International Conference at San Diego, CA.
- 19 Professional Development Meeting.
- TBA Board of Directors meeting 6:00 PM

Bio: Mike Loughrin, CFPIM, CIRM

Mike Loughrin is a Supply Chain Management professional with exceptional experience in Industry and Consulting Services. He has helped numerous companies in the transformation to world class levels of performance through a balanced approach to defining strategy, improving processes, and leveraging the appropriate technology. Successes include leading initiatives with Compaq Computer and Alpine Electronics to redesign the Demand Management processes and directing an end-to-end supply chain transformation for Sweetheart Cup Company. With a background that includes direct responsibility for many Supply Chain Management processes, Mike takes a realistic and practical approach to improving performance.

Mike is now a Partner with Transformance Advisors, a firm focused on advising executives in the design and execution of supply chain transformations. In addition, the firm collaborates with professional organizations to sponsor seminars on advanced concepts in Supply Chain Management. Mike is an instructor for APICS CPIM & CIRM classes and is also the President of the Northern Colorado Chapter of APICS.

Success in an Improving Economy

By Mike Loughrin, CFPIM, CIRM

There are indications that business is picking up for many companies. We see evidence that some companies are experiencing an event that has been absent for many months → ***demand is greater than supply!*** While there are not yet many actual capacity shortages, there are times when unexpectedly high demand is leading to customer service failures. This can be significant for those companies in industries that operate with a quarter-end hockey stick demand pattern.

As the economy improves, you need to evaluate and gauge your ability to react to unexpectedly high demand. The last couple of years have been a period of aggressive cost reductions. Many companies may find that their upside flexibility was eliminated or is simply rusty from lack of use. Now is the time to assess the following key processes to ensure they leverage best practices required to support upside flexibility in times of rising demand:

- A. Demand Management
- B. Master Planning
- C. Sales & Operations Planning

(Continued on Page 6)

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 Melanie Hoots at (916) 785-1186 or JT Smith at (916) 359-2289.☀

Aerojet: Steve Reingold—(916) 355-2552
steven.reingold@aerojet.com

Agilent Technologies: Chris Olmstead—(916) 788-6246
chris_olmstead@agilent.com

Ames Company: Alan Holst—(530) 666-2493
holstam@wattsind.com

Apple Computer: Sandy Madruga
smadruga@apple.com

**Applied Aerospace Structures Corp.
Tom Samborski—(209) 983-3202**
tsamborski@aascworld.com

**Baxter Planning Systems: Norman Flores—
(916) 788-6254**
nflores@yahoo.com

CSU—Sacramento: Herb Blake—(916) 278-6722 and Linda McElroy (916) 278-4297
blakeh@csus.edu
lrmcelroy@csus.edu

Genentech: Vacant
Candrade@gene.com

Hewlett Packard: Tom Leard—(916) 748-8308
Tom_leard@hp.com

**Institute of World Class Management
Gerhard Plenert—(916) 536-9751**
Plenert@aol.com

**Motion Control Engineering: James Gines—
(916) 463-9354**
jamesg@mceinc.com

NEC: Gail Reinke
GReinke@el.nec.com

**Output Technology Solutions: John Sapp—
(916) 939-5964**
john_sapp@billing.com

Pasco Scientific: Michael Reeve
reeve@pasco.com

**Siemens Transportation Systems
Ron Hazard—(916) 681-3278**
Ron.Hazard@sts.siemens.com

Solectron : John Walsh—(916) 434-4869
johnwalsh@sac.slr.com

Varian: Chris Mathiot—(916) 632-3456 x373
chris.mathiot@varianinc.com

**Industrial Engineers: Hubbert Booze—
916-956-2746**
hbooze@attbi.com☀

Notable Quotes

Many attempts to communicate are nullified by saying too much.—*Servant Leadership* ;
Robert Greenleaf

A decision is the action an executive must take when he has information so incomplete that the answer does not suggest itself.

—*Adm. Arthur W. Radford*

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

Success in an Improving Economy (continued)

(Continued from Page 3)

A. Your **Demand Management** processes need to leverage a *collaborative approach* with your key customers and utilize a *Weekly Bookings Review*. A collaborative approach with your key customers will ensure that you have visibility into true customer requirements. This is not the time to fall victim to the “Bull Whip Effect.” You need frequent updates on actual end-user demand such as POS data and on actual inventories through-out your extended supply chain. The Weekly Bookings Review ensures that incoming orders are routinely compared with the demand forecast. Waiting until the end of the month or end of the quarter is too late. A frequent analysis combined with an aggressive pro-active approach to addressing variances will help minimize the impact of unexpected increases in demand.

B. Your **Master Planning** processes need to leverage a *collaborative approach* with your key suppliers and utilize the concepts of *High Flexibility Scheduling*. A collaborative approach with your key suppliers will ensure that you have visibility into their “capable to promise.” You should also share information on your planned production so you do not pass the Bull Whip Effect onto your suppliers. Through High Flexibility Scheduling concepts, you need to leverage the technique of “Plan to a Forecast; Execute to an Order.” This is not the time for unrealistic expectations of high forecast accuracy and the last thing you want is an atmosphere where all forecasts become too high in an effort to drive up inventory and “control” the shortages.

C. Your executive team should be directing your supply chain to competitive advantage through use of a **Sales & Operations Planning (S&OP)** process. This critical process ensures everyone is on the same page and also provides top management with the visibility and tools required to navigate in a period of rising demand. Companies with an exceptional S&OP process are able to analyze the financial implications of various alternatives and will also direct project and/or capacity initiatives required to take advantage of new opportunities.

To summarize, the improving economy is creating the need to leverage processes that may be a little rusty when addressing the need for upside flexibility. Now is the time to assess your Demand Management, Master Planning, and S&OP processes to ensure they are up to challenges ahead. As a final note, an improving economy may lead to increased employee turnover. Your assessment of these critical processes should include the status of cross training and documentation to reduce the risk of losing critical knowledge.

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.

Carol Thompson, VP Job Opportunities

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, send an email to tanis.perez@hp.com 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

APICSacramento Board Members

President	Melanie Hoots, CPIM	916/785-1186	melanie_hoots@hp.com
VP Education, CSUS/Chico Mngt	Jeff Duvall, CPIM	916/377-5886	jeff.duvall@intel.com
Asst. VP Education	Herb Blake		blakeh@csus.edu
VP Membership	Open		
VP Marketing	Bill Lodholz	530/666-2493	lodholz@wattsind.com
Director of Job Opportunities	Carol Thompson, CPIM	916/748-8075	carol_a_thompson@hp.com
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VP Programs	Ed Mercado, CPIM	209/727-5504 x13	edmercado@msn.com
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Company Coordinator Manager	Brenda Marsh	916/447-8205	brcben@juno.com
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Director at Large	Bill Fuller		W_J_Fuller@hotmail.com
Passport Manager	Open		
CSU Chico Faculty	Tom Wilder		twilder@csuchico.edu
CSUS Continuing Education	Linda McElroy	916/278-4279	lmcelroy@csus.edu
APICS Society		800/444-APIC	Web site: www.apics.org
Chapter Voice Mail:	916/650-8660	Chapter Website:	www.apicsacramento.com
Chapter mailing address:	APICS Sacramento Chapter PO Box 13249 Sacramento, CA 95813		

International Conference

Going to the International Conference this fall? Live in California?? If yes, then you are eligible to get an additional \$50 off! It's cheaper than the early bird special!

Just go to the below url to learn more:

<http://www.apics.org/conference/california/CARegistration.pdf>

Please note, you can't register online for it though. You must fax in.

The APICS Sacramento Chapter Presents

Demand Management

The Seminar on Best Practices

September 15, 2004 – Sacramento, CA

This intense 1-day seminar will allow you to:

1. Learn the best practices in place at leading companies
2. Debate the applicability of these practices to your organization
3. Apply what you learn using targeted exercises that allow you to begin addressing your requirements

\$235 per person*

***4 or more = \$195 per person!**

Registration & payment is due by 8/31/04

Best Practices to be Explored

- ✓ Consensus/Collaboration
- ✓ Sales & Operations Planning
- ✓ Leveraging Technology
- ✓ Managing Imbalances

Location

**Holiday Inn Capital Plaza
300 J Street
Sacramento, CA 95814**

Two supply chain management experts will team up to provide a robust environment for you to learn, debate, and apply the material.

Mike Loughrin, CFPIM, CIRM has led demand management reengineering programs for Compaq Computer and Alpine Electronics and has also directed an end-to-end supply chain transformation for Sweetheart Cup Company. He is an APICS Instructor, President of the APICS Northern Colorado Chapter, and a Partner with Transformance Advisors .

Tim Wilson, CPIM, CIRM, CMA has extensive experience in supply chain management, manufacturing, distribution, & financial management for firms such as Baxter Healthcare, Chrysler, and Dynapar. He is an APICS Instructor, President-Elect of the APICS Chicago Chapter, and a Senior Advisor/Instructor with Transformance Advisors.

The seminar format coupled with the extremely qualified instructors will provide an exciting and highly effective environment for learning this valuable material.

This is a fantastic opportunity to network with other professionals and discuss your supply chain challenges.

For more information or to register:

Email: seminar@transformanceadvisors.com

Telephone: 720-565-9549

Visit: www.apicsacramento.com or www.transformanceadvisors.com

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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)			
Basics of Supply Chain Management	Sept. 20 – Oct. 20, 2004 Mon. & Wed., 5:30 - 8:30 p.m. Course code: 04FMM6011 Melanie Hoots	3.0	\$529
Master Planning of Resources	Nov. 1 – Dec. 1, 2004; No class 11/22 & 11/ 24 Mon. & Wed., 5:30 - 8:30 p.m. Course code: 04FMM6021 Terrell Thruston	2.4	\$449
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)			
Fundamentals of Purchasing and Supply Chain Management	Jan. 5 – Feb. 2, 2005; No class Jan. 17 Mon. & Wed., 5:30 - 8:45 p.m. Course code: 05SPM0011 David Tevlin	2.4	\$459
Logistics	Mar. 28 – Apr. 11 Mon. & Wed., 5:30 - 8:45 p.m. Course code: 05SPM0051 Craig Duehring	1.6	\$349
Electives (Choose one for Materials Management)			
Facilities Management: An Overview	Jan. 11 – 27 Tues. & Thurs., 5:30 - 8:50 p.m. Course code: 05SFM6061 Howard Harris	2.0	\$359
Basics of Project Management	Feb. 2 – 16, 2005 Mon. & Wed., 5:30 - 8:30 p.m. Course code: 05SPMT0012 Sumi Smith	1.5	\$329