

PDM Dinner Meeting

**Tuesday, November 18th
Sustainability
Presented by: Glen Lewis**

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 will be speaking to us on the topic of Sustainability this month. This is a topic that touches each of us, professionally and personally as we work toward greater efficiency in our lives. Glen has traveled extensively, both in the United States and abroad, speaking on this topic and helping organizations and companies increase their efficiency through their sustainability efforts. In our businesses, sustainability includes an emphasis on reduced energy, reduced waste and recycling of materials. Sustainability can provide tremendous benefits in our personal lives as well, helping us reduce energy usage and trash output to save money and increase the efficiency in our homes. Glen will explore this important topic with us at this month's PDM dinner meeting.

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

Glen Lewis did undergraduate work in aeronautical engineering and political science at UCLA and received an MBA from the College of William & Mary. He is the former director of energy and indirect procurement for Del Monte Foods, where his work became a springboard for a US Department of Energy Best Practices demonstration project that treats water, gas, electricity and other forms of energy as assets to be managed and optimized. Lewis also heads the Glen Lewis Group which "Provides a breadth of nationally recognized Best Practices experience...to improve competitive sustainability and operating efficiencies" as stated on their website at glenlewisgroup.com.



President's Message

Dear Members,

I would like to congratulate the winners of the APICS International Case Scholars competition, held in September in Kansas City, this competition was won by the Southwest District West Coast Scholars team that had placed second last April in the 2nd Annual West Coast Case Competition.

The team of three students was a joined group from two Cal State schools - Chico and East Bay. The winners were: Gina Garitson (CSU-EB), Merrill Crowl (CSU-Chico) and Christina Tsao (CSU-Chico), pictured at right.

We were very fortunate to have Rick Leach speak with us in October. Rick is a very captivating speaker and had so much knowledge to share with us. It was very exciting to see the pictures of the new headquarters. We also learned that our Sacramento Chapter had once again attained Platinum Status from National. Rick also spoke about OMDOK and shared information on all of the educational offerings from APICS.

Glen Lewis will be speaking with us in November on the subject of sustainability. Glen is just returning from a trip to Alaska where he was working with a processing plant for the crab fisherman featured on the television drama *The Deadliest Catch*, as well as a trip to China and the east coast. Glen has such a wealth of knowledge his presentation will be filled with information. This is a subject that is close to all of us in our private lives as well as professionally. I know that APICS is beginning to get involved heavily in sustainability as well.

As always I would like to invite all of you to attend the board meetings that are held on the first Tuesday of the month at Panera Bread, just off the Truxel and I-80 Exit, as well as the Professional Development Meetings which are held at the Lions Gate Hotel, located in McClellan Park on the 3rd Tuesday of each month. I hope we see you there.

We will take the month of December off and begin the hard work again in January.

Thank You,
Pat McCarty



1st place winners, APICS International Case Scholars (left to right), Christina Tsao, Merrill Crowl and Gina Garitson

Calendar

November, 2008

- 4 Board of Directors Meeting
- OPEN TO ALL -
Location: Panera at I80 and Truxel
- 18 Professional Development Meeting
Speaker: Glen Lewis

December, 2008

No Meetings this month.

Enjoy your holiday!



Editorial

Be Careful What You Measure!

By Ed C Mercado, CPIM, C.P.M.

It is said that businesses have to be careful what they measure. Measures are a clear and unambiguous indication of what management considers important. For a business to prosper, its operations have to be well managed. A vital part of any type of management is monitoring various measures that indicate performance. Different values of the measures indicate good or poor performance. Depending on the result of various measures, management then takes action to *identify causes* of poor performance and develop ways to *improve processes* to achieve better results. It is clear that measures are extremely important. However, not just any measure will suffice. To be effective and meaningful, the selected measures should be valid, prompt and accurate.

1. Validity

The measure should give a meaningful insight into the situation being measured. It should monitor the overall process, not just a part of it. For example, in basketball, the measure "Assists" by itself is not valid without a comparison against another measure "Turnovers." A basketball player may have made a lot of assists but if there also are a lot of turnovers, we cannot really say that the number of assists – by itself – indicates good performance. Similarly, in tennis, the measure "Aces" is meaningless without looking at the number of "Double Faults."

2. Promptness and Accuracy

Depending on the flow of operations, measures should be available in good time to allow for proper action. Information that is late is usually dubious because the opportunity to take corrective action may have passed. Also, one could wonder if the process of producing the information may have rendered it inaccurate due to sheer complexity involved in its creation. With the capabilities to today's computers, pure number crunching and report dissemination can be a simple and quick process. It is a wonder how many companies still have dozens of people manually handle data from various computer sources to produce periodic reports, especially when data is constantly being updated.

In summary, consider the following situations and see how it provides meaningful insight into the processes being measured.

- Measuring net income is meaningful when it is compared against the total amount of capital employed to generate said income. That is, a net income of \$10 from capital of \$100 is better than a net income of \$10 generated from capital of \$1,000.
- Low inventory levels, *by itself*, would be meaningless if it results in substantial expedited freight and delayed shipments to customers.
- Measuring the dollars spent on customer claims, *by itself*, means little if it is not coupled to the number of orders or general level of business. That is, \$20 spent on claims against total shipments of \$1,000 can look better than spending \$18 on shipments of \$800 - even though the \$18 figure is indeed less than \$20.

We have to be deliberate on what measure we monitor because we may unwittingly feel we are getting ahead when, in fact, we could actually be losing ground in some other part of the business operation.

Ed is Materials Manager of a leading pre-engineered firm. 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.



Online CPIM Review Courses
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For more information, contact
Anne Haberkorn, CFPIM, CIRM, Jonah
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APICS Fox Valley Technical College
Knowledge That Works

Sierra College Courses

To help businesses improve inventory management efficiency, Sierra College is offering a course on Supply Chain Management. Participants will gain a better understanding of the inner workings of material planning systems for ordering and making materials, and planning the resources needed such as equipment and labor to produce products efficiently. The class starts on October 28 at the Sierra Gateway Campus at 333 Sunrise in Roseville. The course is offered on Tuesday and Thursday evenings from 6-9 PM through December 11.

The Sierra College Workforce Development & Continuing Education Division (www.sierracollegegetraining.com) through the Center for Applied Competitive Technologies (CACT) is co-sponsoring the course with the Sacramento Chapter of APICS -- The Association for Operations Management (www.apicsacramento.com).

This course focuses on the various techniques for material and capacity scheduling. The course includes detailed descriptions of material requirements planning (MRP), inventory management practices, capacity requirements planning (CRP), and procurement and supplier planning. Sierra College is taking registrations now at www.sierracollegegetraining.com. The course will also prepare participants for the APICS professional exam to become certified in Production and Inventory Management (CPIM).

APICS administers the CPIM test. Other Supply Chain Management courses will be offered in 2009:

Year 2008-2009 Class offering

2008

Detailed Scheduling and PlanningOct 28 to Dec 11

2009

Execution & Control of OperationsJan 13 to Feb 19

Master Planning of ResourcesMar 3 to Apr 9

Strategic Management of Resources.....Apr 21 to Jun 2

The mission of the Workforce Development & Continuing Education Division is to deliver flexible learning opportunities that produce change. Since 1997, the Sierra College CACT has worked with manufacturers and technology companies in Northern California from Sacramento to the Oregon border. For more information, visit www.sierracollegegetraining.com or contact Carol Pepper-Kittredge, Sierra College CACT at cpepper-kittredge@sierracollege.edu or (916) 781-6288.

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 kmoynih@tasq.com.

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