



CELEBRATING **50**



Downeast Chapter

Chapter #238 – www.apicsmaine.org

OCTOBER 2007 NEWSLETTER



Welcome New Members:

- No New Members This Month



New CSCP Certifications:

- No New Certifications This Month
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Letter from the President: 10/1/07

Welcome to the October edition of our Downeast Chapter newsletter. Our chapter year is under way with CPIM classes rolling as of last month. We will be announcing our Programs schedule soon, a little late but with some good things in the works.

I participated in the Region 1 meeting last month in Plymouth, MA. I encourage every member to try to do this at least once. It will give you an idea of the scope of APICS membership across the New England states, and as of January that scope will be extended to all of New York state and northern New Jersey. (See last month's newsletter on the organizational change.) One presentation of note was "Manufacturing-What's The Future?" by Bob Stahl. Many of you recognize Bob as a leading author and consultant on the practice of Sales and Operations Planning, and a past presenter to the Downeast chapter. See the website for a link to this presentation.

At this particular meeting, a number of past Region Vice Presidents were honored and had an opportunity to share their recollections of APICS over the course of its development. As you know, the Society celebrates 50 years of service this year, and one of the honorees was an APICS veteran of 47 years! The presentation was made all the more interesting by being in part a "roast" of some of the guests. There were lots of funny stories, some very dated pictures, and a sort of connecting sense of friendship and shared commitment among these folks who were in at the ground level of APICS.

It is striking to me looking back from 2007 that the jobs many of us hold (Supply Chain, Buyer/Planner, Production Control, Master Scheduler, etc.) were not even professions back in 1957. As the mass production approach to manufacturing expanded and grew more complex, and as computers came on the scene, there was a need to have personnel knowledgeable and skilled in planning and inventory control. APICS filled this need with education, a unified body of knowledge that allowed practitioners to communicate with each other in common terms, and a forum for professionals to compare notes and improve the state of the art in professional practice.

APICS reached its historical heights in the '70s and '80s in terms of membership. This success was due to the quality of service provided and made the organization synonymous with inventory and production control best practice. Today, the APICS BOK continues to evolve and remain on the leading edge of best practice. Ironically, the past success of the organization has created an impression that the Society is still all about "inventory". Anyone who has studied for and earned their CSCP over the past two years knows that this impression is out of date. Part of the APICS challenge on a national and local level is to update the general public, non-members who think they know us, and in some cases even members as to the current state of the body of knowledge.

I encourage those of you with CPIM, or who have studied these materials to take a look at the CSCP content. It is truly contemporary material with trademark APICS quality and attention to detail. Anyone wishing to advance their own skills and improve their organization's effectiveness has a lot to gain from CSCP. The operations and supply chain management professions have come a long way since 1957. APICS continues to lead the way in professional education and resources. Check it out.

Jack Wood, CSCP
President, APICS Downeast





Professional Development Meetings:

We are still working on finalizing details for the first few events. Please check the website frequently for updates. An e-mail message will be sent when a PDM is scheduled so make sure you are on our distribution list and watch your inbox!

PayPal Now Available for Automatic Payment

The Downeast Chapter now has the ability to accept PayPal as the payment method for members who wish to use credit/debit/purchasing cards. We are in the process of setting up the shopping cart and appropriate links for class PDM registrations on the website forms so that registration and payment can be done in a few easy automated steps. Please check the website on your next registration occurrence for this functionality.

You may also register separately, and then send us a payment later by logging in to your own PayPal account and choosing the “Send Payment” option. Send the payment to: finance@apicsmaine.org and that’s it!

Of course the more traditional “pay at the door” or mailed checks, with or without purchase orders and invoices, are still accepted and manageable as well.





Upcoming APICS Event:

The 2007 APICS Leadership Institute Denver will be held **Saturday, October 20**, before the APICS International Conference & Expo. Leadership Institute Denver registration is free and open to all who wish to attend; so don't miss this opportunity to excel!

The APICS community is a fusion of chapter, region, and global leaders. Leadership Institute Denver provides a variety of training opportunities for these dedicated leaders. A complete program schedule will be included in the July issue of *Leadership Central*.

The annual APICS International Conference & Expo is a valuable experience for all APICS members. Chapter presidents may designate up to five chapter board members to attend the conference at a reduced registration rate of \$799. Region vice presidents may designate up to six representatives from region staff to attend at the reduced rate.

To qualify for the reduced registration rate of \$799 (US dollars), the designated individuals MUST attend Leadership Institute Denver and have the approval of their chapter president or region vice president. To register, use the attached special Leadership Institute registration form or register online at <http://www.apics.org/education/conference/register.asp>.

If you have any questions about Leadership Institute Denver, please contact APICS Chapter Relations via e-mail at chaprel@apics.org or via phone at (800) 444-2742 or (703) 354-8851, ext. 2324. For more information on the APICS 2007 APICS International Conference visit www.apicsconference.org.

Thank you for your continued support and commitment to APICS!





Course Schedules:

Fall 2007

Course	Day/Time	Location
Execution and Control of Operations	Wednesdays Starting 9/12	Remstar International, Westbrook (remote)
Execution and Control of Operations	Wednesdays Starting 9/12	Huhtamaki Foodservice, Waterville
Execution and Control of Operations	Wednesdays Starting 9/12	Maine Machine Products, South Paris
Master Planning of Resources	Thursdays Starting 9/13	General Dynamics, Saco
CSCP (Certified Supply Chain Professional) Study Group or Instructor Support	TBD As Requested	TBD Dependent on participants and requests

**** Early registration is appreciated! ****

To register:

- Use the [online Registration form](#) (note instructions for payment).
- Cost: The cost of classes is \$325 per person for members and host companies, \$425 for non-members, which includes all required material.

CPIM classes are held one evening a week from 5:00-7:00 pm unless otherwise posted. Basics of Supply Chain Management runs for 10 weeks, Master Planning of Resources runs for 8 weeks, and all other courses run for 9 weeks. There is an optional review session at the end of each course for students who would like to consolidate their learning and/or prepare for the CPIM exam.

Cancellations: If a class session is cancelled, the instructor will contact the students via email if available. If an entire class is cancelled, notification will be placed here and any registrants will be notified and money refunded.

Click on one of the [Directions](#) links on the web page for driving directions to class locations. For more information on these or other course offerings, contact the chapter Education Director, at education@apicsmaine.org



CSCP Update:

Important Notice Concerning CSCP Kit Availability

The new Certified Supply Chain Professional (CSCP) Kits are available at reduced prices through the Downeast Chapter. Through the buying power of the local chapter we are able to offer the CSCP Self-Directed Learning Kit to our individual and corporate members for the low price of \$750 (\$1,045 for non-members) + shipping. This is an across-the-board price discount no matter how many kits you buy. This is a substantial savings off the \$895 member price (\$1,195 for non-members). If you or your company is interested in this great offer, please contact the Chapter Education Director at education@apicsmaine.org for details.

CSCP Learning System Quick Links

- [CSCP Learning System](#)
The best way to gain supply chain management knowledge and prepare for the CSCP exam
- [Try a free demo.](#)
- [Learn how to order.](#)

Earn Your APICS CSCP Designation in 2007

APICS announces the 2007 APICS CSCP testing dates:

December 8, 2007

The APICS CSCP designation can help you develop the skills and knowledge necessary to become a supply chain leader. [Learn more.](#) View a complete listing of [APICS CSCP.](#)

Additional CSCP program information

[Download the CSCP brochure.](#)

[Join the CSCP Update list](#) to receive the latest information as it becomes available.

[View a diagram of the program.](#)

Frequently Asked Questions

Visit our [FAQ](#) page for answers to questions about the CSCP program.



Feature Article:

KNOCKING ON THE DOOR

A new twist on a familiar set of processes has entered the executive suite. Seeking to become an essential element in top management's tool kit, executive sales and operations planning (executive S&OP) promotes processes that enhance the effectiveness of sales and operations planning (S&OP).

Leaving detailed plans (mix) to the likes of master scheduling, kanban, material requirements planning, and plant and supplier scheduling, executive S&OP concerns itself with aligning aggregate plans (volume). Working from the top down, executive S&OP ensures top management's close oversight in all facets of S&OP.

The executive element is the keystone. Although S&OP balances demand and supply, integrates units and dollars, and aligns aggregate plans with detailed plans, executive S&OP is the glue that holds it all together.

With a forward-planning horizon of between 15 and 36 months, executive S&OP involves the entire executive team (president, COO, general manager, managing director) in its decision-making process. It occurs on a monthly cycle and provides for mid-month corrections when the demand or supply picture shifts sharply. Properly done, executive S&OP lifts S&OP to another level.

Executive S&OP consists of a five-step process: data gathering, demand planning, supply planning, the pre-meeting, and the executive meeting. It frequently deals with issues involving strategy, policy, and risk. Highly cross-functional at both the operating and executive levels, executive S&OP involves people from sales and marketing, operations, finance, and product development.

In short, executive S&OP serves as the overall direction for all mix-related S&OP activities. In turn, these drive the week-to-week, day-to-day, and hour-to-hour activities in the real world: the plant floor, shipping and receiving, and the customer service department. Thus, executive S&OP directly links decisions made in the executive suite and results where "the rubber meets the road."

Benefits from S&OP

Companies doing a first-rate job of S&OP cite benefits in two main categories: hard and soft. Hard benefits might include higher customer service, more stable supply rates resulting in higher productivity (for production, procurement, and contract manufacturers), faster and more controlled new product introductions, lower finished goods inventories, and shorter customer order backlogs. In addition to these solid or hard benefits, the soft benefits that result from executive S&OP can prove substantial.

Consider the following:

- Enhanced teamwork at both the executive and operating levels of the business
- Better decisions with less effort and time, yielding better results

- Better financial plans with less effort and time, and which align with the operational plans
- Greater accountability for results --Better control of the business through using one, agreed-upon set of numbers
- A window into the future to see potential problems soon enough to prevent them from becoming actual problems Executive S&OP proponents refer to executive S&OP as "top management's handle on the business." From consumer products companies to the oil drilling industry, executives at various levels commend executive S&OP for its current effectiveness and future potential.

The president and CEO of an oil drilling company notes that by incorporating executive S&OP, he now works with his entire management team to look 12 to 18 months ahead and validate or modify plans. The CEO of another company abandoned an ad hoc approach to long-term issues in favor of a comprehensive scan of its demand and production future--up to 18 months, in both units and dollars. The marketing vice president of a consumer products company cites the benefit of gaining greater control of the business through employing executive S&OP to offer the visibility required to be proactive instead of reactive.

Future of S&OP

Executives who use executive S&OP are spreading the word. Lean manufacturing is already discovering the process because, even though executive S&OP was not invented as part of lean manufacturing, it works extremely well with lean. Since executive S&OP operates effectively outside traditional manufacturing, other business fields can realize its benefits, as well: for example, engineering and design organizations, retailing, banks, and companies using 100 percent contract manufacturers.

Global expansion of supply chains can favorably affect the use of executive S&OP to harmonize the entire supply chain. Executive S&OP sits at the pivot point, the center of the supply chain, which is where the demand/supply balance needs to occur.

Continuing software development promises to play a greater role in executive S&OP. As complexity and the rate of change increase cross the industrial landscape, the need is emerging for S&OP software to become more powerful, more effective, and more useful to executives and managers. This kind of software is beginning to be available today and more will, no doubt, be developed in the future.

Currently, the use of S&OP-generated, financial-planning numbers in leading-edge users is good. As greater attention is given to executive S&OP's financial integration side, its widespread use will be secured.

The future of executive S&OP is bright. The flexibility of integrating executive S&OP, its ability to harmonize the entire supply chain, the emerging development of S&OP software, and increasing attention to executive S&OP financial integration sides are the critical factors to ensuring its success. As executive S&OP gains greater visibility in the

executive suite, it will become widely recognized as an essential element in top management's tool kit.

--Tom Wallace and Bob Stahl, coauthors of "Sales & Operations Planning--The Executive's Guide," can be reached at (513) 281-0500 or tom@tfwallace.com and (508) 226-0477 or RStahlSr@aol.com, respectively.

Additional Resource

Wallace and Stahl will be presenting "Executive S&OP: Top Management's Handle on the Business" during the 2007 APICS International Conference & Expo, October 21-23, in Denver, Colorado. For more information and to register, visit <http://gal.org/ct/Od3MfAF1mQog/eneews>.



APICS Webinars:

APICS Webinar - Five Critical Steps for Successful Value Stream Analysis
<http://gal.org/ct/tp3MfAF1mQos/eneews>
October 10, at 2:00 p.m. & 3:00 p.m. ET

APICS Webinar Series - Sales and Operations Planning (S&OP) How-Tos
<http://gal.org/ct/g13MfAF1mQox/eneews>
November 6, 13, 20, 27, December 4, and 11, at 1:00 p.m. & 2:00 p.m. ET

