

DISPATCH



Monthly Newsletter of the West Jersey Chapter

The West Jersey Chapter of APICS is a 501(c) 3 non-profit organization dedicated to the continuing education of supply chain management professionals.

Editor – Dan Moore

Volume 27, No. 5

June 2008

COME JOIN YOUR FELLOW PROFESSIONALS

APICS Professional Development Meeting June 19, 2008

Rightsizing Inventory

Joe Aiello, CFPIM, CIRM, CSCP

We are so focused and enamored with the technology that we have lost sight of the real objective of Supply Chain Management: "Rightsizing Inventory". "Rightsizing Inventory" isn't just about reducing inventory in the Supply Chain, it's about having inventory match your customer and company strategy. It's about having inventory in the right location, the right form, the right life cycle stage, and of course the right quantity.

During my 40 years in Supply Chain Management, I have seen the same mistakes made over and over as companies have tried to "Rightsize" their inventory. I have summarized these mistakes into the **10 most common mistakes** made. This presentation will address those 10 most common mistakes and offer solutions on how to avoid these pitfalls. All 19 Supply Chain links play a role in correcting these mistakes, including the unsung heroes of "Rightsizing Inventory": Human Resources, Maintenance, Facilities Management and Field Service. Only when these common mistakes have been addressed and corrected by all Supply Chain links can we truly use inventory as a strategic advantage.

5:30 – 6:00 pm Networking

6:00 – 6:30 pm President's Welcome

6:30 – 7:30 pm Keynote Presentation by Joe Aiello

7:30 – 9:00 pm Dinner

Program Cost: \$35 preregister, \$40 at the door

Non-member \$40 pre-register \$45 at the door

To Register: <http://www.apics-westjersey.org/Events.htm>

Location: Hanover Manor, 16 Eagle Rock Ave, East Hanover, NJ 07936

Joe Aiello, CFPIM, CIRM, CSCP

Joe has been in Supply Chain Management for over 40 years and an active member of APICS for 30 years; having spoke at 15 International APICS conferences spanning four decades. He has also presented at many APICS chapter and regional conferences and many professional societies, colleges and universities across the United States. He is the author of a recently published book, *Rightsizing Inventory*, being sold worldwide by Auerbach Publishing Company. Joe is retiring in August of this year and this will be his last APICS presentation.

PRESIDENT'S MESSAGE

Pete DeCarolis
President



We had a rather disappointing turnout for our May PDM, but that didn't make it any less interesting. A big thank you to Cliff Boldt of Becton Dickenson for his presentation on "What Six Sigma Is Not". He pointed out some very interesting points about the myths of Six Sigma and the current bad rap that this process is getting in the press. Thanks Cliff for a job well done.

On June 19th we'll hold our final meeting before the summer break. Elections for new officers to your board of directors will be held at this meeting. And your vote does count. It is our hope that our "District Goddess", Virginia Vogel-Polizzi, will be available to install your new slate of officers.

Joe Aiello will be making his final presentation on the eve of his retirement from teaching and presenting at PDMs. His presentation will be centered around his book "Rightsizing Inventory". Joe has also been our CSCP instructor here in West Jersey and we would like to thank him properly for his efforts in educating further our certified practitioners. We'd like to show Joe just how much we appreciate his participation in APICS and thank him for his many years of dedication and effort to educating us all. It's our hope to make this a true celebration for Joe.

I hope you've all had a chance to participate in our brief survey. Your candid and confidential responses will be used to improve our service to you, the members of what I consider to be one of the finest chapters in all of APICS. The prizewinners will be announced at our June PDM to help close out the year. We'll also be awarding our certification pins at this meeting.

As you can see, our June PDM promises to be very busy and have a great deal of activity going on. I would think it will be one of the year's best meetings and look forward to seeing you all at the Hanover Manor on June 19th!

Pete DeCarolis
President

EDUCATION NEWS

Certified Supply Chain Professional (CSCP)

Last fall the West Jersey Chapter educational program launched the Chapter's first CSCP

certification review offering. The course was presented by Joe Aiello, CFPIM, CIRM, CSCP, and culminated in March when the students sat for the four hour examination to demonstrate their knowledge of a wide range of material. The results are now in and we are extremely proud to announce that five of the students passed the examination and have attained the CSCP designation.

Congratulations to:

Paula Golembeski, CSCP
Robert Gregory, CSCP
Arun Krishnan, CSCP
Glen Maceika, CSCP
Robert Spitz, CSCP.

Northeast District Meeting



(fr. l to r) Dan Moore, WJER, Ralph Fariello, WJER, Abe Eshkenazi, CEO APICS, and Gary Pezzuti, WJER

On May 15th and 16th, several members from our chapter attended the APICS Northeast District meeting in Danbury, Connecticut. With over 18 of the 31 chapters in the district represented, the meeting provided an excellent venue for everyone to share ideas on increasing value for chapter members.

Abe Eshkenazi, CEO APICS, was also on-hand for this meeting and gave a presentation on some of the exciting items that APICS is working on for the coming year!

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West Jersey Chapter Leads Charge to Support Troops Overseas

The West Jersey Chapter of APICS and Novartis Consumer Health teamed up in March to donate vital over-the-counter medication to soldiers in Iraq and Afghanistan through **OPERATION SUPPORT OUR TROOPS**. Products including Lamisil[®], Excedrin[®], Comtrex[®] and Theraflu[®], were shipped to **OPERATION SUPPORT OUR TROOPS'** New Jersey branch, where they were broken down by volunteers into smaller "care packages" and distributed to the soldiers. These donations have not only provided troops with much needed resources, but also helped increase their morale.

Our chapter would like to continue our donation program throughout 2008 and beyond, so please contact Nate Dills at nate.dills@yahoo.com to get your company involved. Traditional donations often include personal care kits, health and hygiene items and toys. Please visit <http://www.west-point.org/family/support-our-troops/index.html> to learn more.

West Jersey Chapter Elections

Election of chapter officers will be held at the June PDM for the new operating year starting in August. Officers to be elected are President, Executive Vice President, Treasurer and Secretary. Please consider serving the chapter as an officer or helping out in other ways to improve the service we provide you, the members. Contact Ralph Fariello at apics@patmedia.net.

This year's nominees are:

President: Dan Moore
Executive VP: Tony DiVencenzo
Treasurer: Brian Witt
Secretary: Gary Pezzuti

Survey Feedback

As you know, a few weeks ago the chapter emailed a survey to find out what our members wanted, what is being done right and what is being done wrong. For all those that participated, THANK YOU! The feedback you provided will be used to improve the services and programs for all members.

For answering the survey, the following people were picked randomly and will receive gift cards at this month's PDM!

Irene Silos	John Tevebaugh
Joe Shedlawski	Michael Trocchia
Carol Devine	Alan Kronstadt
Linda Bausch	Dorothy Masten
Scott Laux	



On May 15th, Cliff Boldt gave a very interesting talk on "What Six Sigma is Not". Thanks Cliff for sharing your knowledge!

The 12 Best Practices of Freight Bidding

By Chris Ferrell
Principal, Tompkins Associates

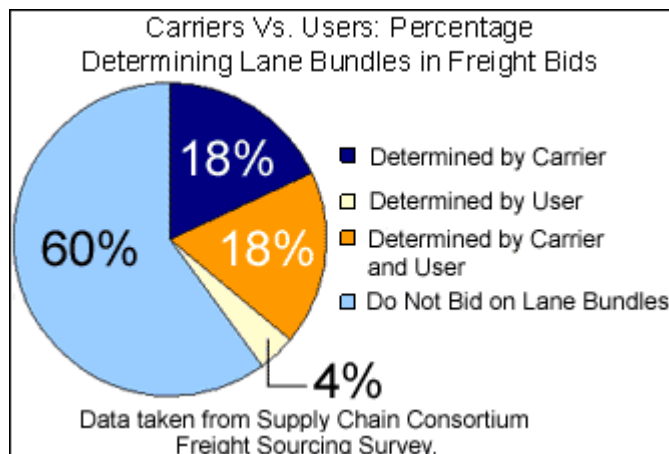
The Supply Chain Consortium recently conducted a survey of manufacturers, wholesalers and retailers on their freight bidding policies and processes.

The results of the survey point to a number of best practices. Freight bidding can be a time consuming endeavor that is disruptive to the supply chain, but bidding is necessary to ensure that you are receiving competitive rates and quality service.

Keep on track by following the 12 best practices below.

1. Get a commitment from executive management. Clear expectations and a consistent message will increase the likelihood of success.

2. Understand current freight costs up front. Minimally, separate fuel surcharges (FSC) and accessorials from the total spend.
3. Mix in new providers and allow existing carriers to bid on markets outside their historical base. This ensures competitive rates, allows you to see what other carriers have to offer, and may give you renewed respect for existing carrier-partners.
4. Take this opportunity to standardize FSCs and accessorials. This ensures an apples-to-apples comparison of rates. Your accounts payable and claims departments will also appreciate the standardization.
5. Have a minimum of one year's worth of clean historical data for bid participation. Make sure your data is detailed enough that seasonal and day-of-week shipping imbalances can be clearly identified. Shipment profiles and a detailed forecast of new or radically changing lanes should also be provided.
6. Look for opportunities to decrease costs through a change of mode. Be sure to periodically review lane potential for a more economic form of transportation.
7. Use a multi-round process. Get a good idea of what the market is bearing for each particular lane, and follow up on potential oversights that may have become evident (confirm carrier capabilities against volume levels that might be awarded, etc.).
8. Enable participant creativity and give participants enough time to do it right. Instead of the usual specific questions that are asked during the bidding process, encourage carriers to take a more holistic look at your freight. Potential solutions to solicit during a bid include: freight brokering, bid-packages (shipper defined groupings) lane bundles (carrier defined groupings), dedicated fleets, and modal integration (e.g. TL intermodal, LTL to multi-stop TL, etc.). (See chart for more on lane bundling.)



Lane bundling is a proven method for reducing costs and securing capacity, yet the survey shows that 60% of respondents do not utilize it. Allowing a carrier to bundle a group of lanes that compliments its current portfolio is more likely to yield a lower total bid than the sum of the individual lanes.

9. Leverage volume through a relatively small group of core carriers to yield lower costs and more capacity. As a shipper's volume increases for a carrier, the shipper rises in importance to the carrier. Therefore, the shipper and carrier are able to dedicate more time to developing a deeper, less transactional relationship. This allows for more creative solutions, lower transactional costs, and the ability to move that desperately needed extra load during a peak-season push.
10. Bid freight on a regular, predetermined basis (annually, bi-annually). This will have a similar effect to dollar-cost averaging and will be conducive to developing meaningful, long-term partnerships with carriers.
11. Put as much effort into implementation plans as the bid. Communicate with affected origins and destinations on carrier capacity commitments, timing, and coordination of service provider turnover. Note: This most overlooked aspect is almost always more difficult and time-consuming than expected.
12. Track carrier performance against commitments made; utilize feedback loops. Tracking carrier performance against commitments and scheduling feedback sessions at pre-determined intervals (quarterly is a minimum best practice) will call attention to undesirable service providers, if not reduce the problem.

Bloomfield College

Attention **SUPPLY CHAIN PROFESSIONALS:**

The Bloomfield College Materials/ Supply Chain Program is back and better than ever! Whether pursuing a certificate, degree or individual courses, you can make a positive impact on your company's bottom line. Contact Jeff Bragar now at 908-268-6460 for more information. www.bloomfield.edu

Welcome New Members!

- | | |
|------------------|----------------------|
| Tom Elliott | Fikret Gulden Saatci |
| Chris Kattermann | Scott Smythe |
| Walter Kwoka | Ilya Tlumach |
| Richard Macri | Jason Whitlock |

EMPLOYMENT NEWS

Permanent Placement
Executive Recruiting

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•

Interim Professionals
Contract Employees

Summit Group Consultants, Inc.

Gary W. Pezzuti
Senior Partner

16 Voight Lane
Lafayette, NJ 07848

(973) 875-3300
Fax (973) 875-3248

E-Mail: garyp@nac.net

1470. MATERIALS & LOGISTICS MANAGER: PA location, within one hour of Reading PA.

Looking for a progressive environment, a capable team and a great support staff? This highly visible position may be the opportunity you are looking for. You will be responsible for the site materials management, inventory, logistics and purchasing functions working through a team of six direct reports. You will manage the plant inventory levels and accuracy, including finished goods, raw materials, commodities, work in process, scrap and store room. You will implement and enforce divisional materials management and logistics policies and processes; improve strategies; build relationships with customers' logistics groups including customer visits and issue resolution; and you will work with freight forwarders, trucking providers and other third part logistic providers to ensure timely shipments and receipts.

A demonstrated track record of implementing cost control systems and policies to manage and control inventory is definitely needed. Your ability to bring key results in on time delivery, first time shipment success,

optimizing inventory carrying and warehouse costs and keep a low average age of on-hand inventory is the keys to your success.

To qualify you must have a BS degree, 5 years of materials/logistics experience (including some management) and APICS certification such as CPIM, CIRM or CSCP. Our customer offers a generous relocation package, excellent benefits and a salary in the \$68 - \$80K range. Individuals with interest may forward their resume and/or call Ann Johnson, Plastics Recruiter, 828-835-8464, ProTech, Inc., 855 Caler Road, Brasstown, NC; plasticjobs@mindspring.com www.plasticsgal.com

NUMEROUS TEMPORARY POSITIONS AVAILABLE:

Buyers; Planners; Project Managers; Supply Chain Analysts; Operations Management. In Bergen, Essex, Morris, Middlesex and Somerset counties.

For any of the above positions, please contact:

Gary Pezzuti
973-875-3300

Summit Group
garyp@nac.net

The West Jersey Chapter of APICS provides as a service to its members information on new positions. If you are interested in any of these opportunities, please send your resume electronically to the indicated contacts or to Vice President Employment at dwohl@apics-westjersey.org.

To advertise a job opening, please send position overview to Vice President Employment at dwohl@apics-westjersey.org.

2008 Professional Development Meetings

June 19th

Right Sizing Inventory *presented by Joe Aiello*

As usual, we have no meetings planned for July and August.

Enjoy your Summer!

We'll be back in September with a full line-up of interesting speakers for the fall!

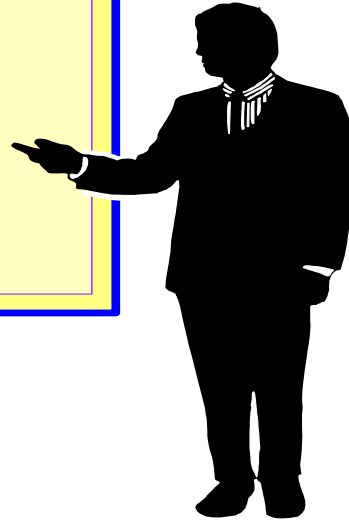


Our Professional Development Meetings are held at the Hanover Manor in East Hanover. Check our web site for more information at www.apics-westjersey.org

Next PDM June 19, 2008

Rightsizing Inventory

*COME JOIN US!
NETWORK & LEARN*



The Association for Operations Management



PLATINUM AWARD in APICS CBAR
Program