

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

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June 2009

APICS Professional Development Meeting June 18, 2009

“Communicating Metrics”

Presented by Jeffrey Bragar, CPIM, CIRM



Most, if not all of us, are governed by metrics on our jobs. While a lot of attention is spent on the design of particular metrics, not enough attention is spent on communicating metrics. This communication process is not a one or even a two way street, it is more. It is your manager communicating with you and you communicating with your manager as well as other stakeholders within your organization. Learn how to work with your manager to set up a communications plan to properly utilize this powerful tool. After all, what is more important in your professional life than being properly rewarded for your hard work?

This presentation will include:

- The Basics of Metrics Planning
- Preventing Data Overload
- A Framework for Communication
- The Do's & Do Not's Of Communication
- Communicating Problems
- When Metrics Should Be Changed



5:30 – 6:15 pm	Networking
6:15 – 6:30 pm	President's Welcome
6:30 – 7:30 pm	Keynote Presentation by Jeff Bragar
7:30 – 9:00 pm	Dinner

Program Cost: SPECIAL MEMBER APPRECIATION NIGHT!

Members & Non-Members: \$15 pre-register, \$25 at the door

Please note that only cash or check can be accepted at the door

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

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

About the speaker:



Jeffrey K. Bragar, CPIM CIRM

Jeff is both an educator and practitioner of Supply Chain Management. He has held positions of increasing responsibility in Production Planning, Inventory Control, Project Management and ERP implementations for over 20 years. He has been teaching Operations and Supply Chain Management classes at Bloomfield College for the last 20 years. His educational credentials include a BS in Management from Montclair State College, an MBA from Fairleigh Dickinson University and both CPIM and CIRM designations from **APICS**.

<p><i>PRESIDENT'S MESSAGE</i></p> <p style="text-align: center;"><i>Dan Moore</i> <i>President</i></p>	
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It's hard to believe that summer is already here. As most of you know, our chapter does not run meetings during the summer since everyone has vacations and other outdoor activities. So, I truly hope to see everyone at this month's meeting on Thursday, June 18th since it will be our last meeting of the "season".

We will have a top notch speaker, Jeff Bragar, talking about communicating metrics within the corporation. On top of that, it is our Member Appreciation Night! We are welcoming all members and potential members to take part in the flat rate of \$15 (pre-register) for the night. This is a tremendous deal since not only do you get to learn about a useful subject but you also get someone else to cook dinner! So grab a co-worker and come join us for the night!

At this meeting we will be presenting two awards; Member of the Year and Company of the Year. These two awards are presented to people and organizations that have contributed to the chapter's mission of being a viable educational society for supply chain professionals.

In addition, we will also be holding the Chapter's annual elections.

With so much going on come out to our Member Appreciation Night on June 18th! I'm sure you'll enjoy it!

Best regards,
Dan Moore
President



Are you LinkedIn? If you are, come and join our West Jersey discussion group! Just sign into your account, go to groups, and then search for the group "APICS West Jersey".

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@comcast.net.

This year's nominees are:

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

Welcome New Member!

We would like to give a big welcome to Janet Fitzpatrick, CSCP of GPSG for joining our chapter!

Editor's Note:

In recent months the subject of energy efficiency and reduction has been a hot topic nationally. As supply chain professionals, I know for many of us this may not be a top priority but maybe we should sit back and take a closer look at how we do things. We may be overlooking an area that could save our companies large sums of money over time. I hope you enjoy the following articles!

How Inefficient are Modern Manufacturing Methods?

By T. D. Clark

New analysis from MIT has uncovered some alarming figures that indicate manufacturing methods are "spectacularly inefficient in their use of energy and materials."

It has become obvious that nearly every aspect of future manufacturing operations will have to cut its energy consumption, if not for environmental stewardship then for cutting costs to stay competitive. Manufacturers use nearly a third of the energy consumed in the United States.

Although today's golden age of end-to-end process efficiency suggests that modern-day manufacturing methods are more efficient and sustainable than ever before, new analysis from MIT captured the energy use of 20 major manufacturing processes. The report, published in the journal *Environmental Science and Technology*, determined that new manufacturing systems are anywhere from 1,000 to one million times bigger consumers of energy, per pound of output, than more traditional industries.

In other words, MIT News reports, making microchips burns through a lot more energy than making manhole covers.

The study, funded by the National Science Foundation, covered essentially every standard industrial method, from within cast-iron foundry and injection molding to dry etching and carbon nano-fiber production.

Professor Timothy Gutowski of MIT's Department of Mechanical Engineering, who led the analysis, believes manufacturers have primarily been concerned more about price, quality and cycle time than with how much energy their manufacturing processes consume.

MIT cites solar panels as an example:

Their production, which uses some of the same manufacturing processes as microchips but on a large scale, is escalating dramatically. The inherent inefficiency of current solar panel manufacturing methods could drastically reduce the technology's lifecycle energy balance — that is, the ratio of the energy the panel would produce over its useful lifetime to the energy required to manufacture it.

However, the MIT researchers acknowledged some limiting research factors. Although they gathered data "from heavy-duty old fashioned industries like a cast-iron foundry, all the way up to semiconductors and nanomaterials," the researchers did not analyze production of pharmaceuticals or petroleum, and they only looked primarily at processes where electricity was the primary energy source.

How does this research hold up against the car industry?

Let's look at an American automaker, whose management by proxy would suggest having made some questionable strategic choices over the past decade. That doesn't mean they aren't keeping a close eye on energy consumption, though. Ford Motor Co., for example, recently announced it earned the EPA's coveted 2009 ENERGY STAR Award for the fourth consecutive year.

Ford, the only Detroit automaker not taking federal aid, last year improved energy efficiency in the U.S. by 5 percent, saving approximately \$16 million. (Actual savings due to plant shutdowns were higher, but Ford measures energy efficiency as energy consumed per vehicle.)

According to the U.S. Department of Energy, commercial and industrial sites are often among the most voracious users of energy nationwide. The DOE says a typical industrial facility can realize savings of up to 25 percent in process heating systems, up to 20 percent in steam systems and as much as 18 percent in motor systems. Added up, these savings reduce a company's natural gas and electric bills and therefore directly affect profits.

Since 2000, Ford's U.S. facilities have improved energy efficiency by nearly 35 percent — equivalent to the annual energy consumed by more than 150,000 homes.

Some of the significant efficiencies Ford has made challenges the MIT research, including:

Updated heating systems at many manufacturing facilities by replacing outmoded steam powerhouses with digitally controlled direct-fired natural gas air handlers;

Upgraded paint process systems including booth air handling and improved emission controls; and

Continued development of a process that turns paint fumes into electricity, a painting process that significantly reduces the footprint and energy use of paint booths, and zirconium oxide pretreatment that uses less energy to inhibit surface corrosion.

The MIT figures did not include some energy costs, such as the energy required to make the materials themselves or the energy required to maintain the environment of the plant (e.g., air conditioning and filtration for clean rooms used in semiconductor processing), yet Gutowski says the team's figures are actually conservative.

MIT News explains:

The bottom line is that "new processes are huge users of materials and energy," [Gutowski] says. Because some of these processes are so new, "they will be optimized and improved over time," he says. But as things stand now, over the last several decades as traditional processes such as machining and casting have increasingly given way to newer ones for the production of semiconductors, MEMS and nano-materials and devices, for a given quantity of output "we have increased our energy and materials consumption by three to six orders of magnitude."

John Engler, president of the National Association of Manufacturers, last month called developing new energy technologies to improve efficiency and reduce carbon emissions "one of our most daunting challenges."

Indeed, conserving energy and using various old and new energy sources in a sustainable way may seem like an impossible task. But today's efficient-energy investments are strategic investments, not short-term cost-cutting methods in response to rising energy prices.

Energy efficiency and conservation offer the best payback. By implementing energy-saving projects, a business or facility may be able to reduce its energy consumption dramatically — and save millions of dollars.

David Butcher contributed to this post.

Reprinted from Thomas.net

A New Look for the Global Supply Chain

By Fred White

Managing a supply chain has never been so challenging. In addition to automation, data handling, lower costs and minimal risk, now supply chains are demanding substantial energy savings and a lower carbon footprint.

The Wall Street Journal, validated by World Trade magazine Editor Neil Shister, recently proposed that the Wal-Mart model of the supply chain is drawing to a close, due to a gathering "perfect storm": the United States economy lagging behind its trading partners, with the ultimate impact of the credit crisis a looming sink-hole; the slowing of productivity gains, "the magic bullet that has spared the U.S. from inflation"; debts coming due; and the dollar trading at lows not seen in a decade.

Indeed, the supply chain is evolving. For one, increasingly more businesses cite their desire — even need — to decrease energy expenditures within their organizations.

According to Plant Services Editor-in-Chief Paul Studebaker:

The rapid rise of energy costs over the past few years ... support the widespread conclusion that we're entering an era in which energy productivity (energy cost per unit of production delivered to the customer) will loom ever larger as a factor in the bottom line and global competition.

As consumer buying power flattens or declines due to spending more for heating/cooling, health care and commuting, offering less expensive products becomes essential to business prosperity and survival.

The growing awareness of "green" throughout the supply chain, of course, is another major determinant in the remodeled supply chain.

"Far from a fad or feel-good initiative, green sourcing is fast emerging as a strategic business imperative," reports Electronic Supply & Manufacturing.

Companies are now looking at their supply chain as the next frontier for combating environmental upheaval — and giving consumers what they want.

Kris Colby and David Fertal, a senior manager and an engineering project manager in the Spend Management Services group at Ariba, Inc., respectively, recently offered their ideas for greening the supply chain at Electronic Supply & Manufacturing (paraphrased here):

- 1) Know where you stand by doing a carbon footprint study or by assessing your organization's "green" status.
- 2) Have a plan, create goals and use metrics to track progress.
- 3) Have a single point of accountability by ensuring the point of accountability is empowered to effect change.
- 4) Market your progress internally and externally, communicating to all levels why green efforts are being undertaken, what will be measured and how the company will succeed.
- 5) Incorporate green into your existing sourcing and procurement processes by specifying approved and preferred materials as well as including green criteria into requests for proposals and create clear metrics.
- 6) Communicate goals and standards to your supplier community, setting clear expectations and monitoring compliance and progress.
- 7) Stay up-to-date with global regulations, including Restriction of the Use of Certain Hazardous Substances (RoHS) regulations (Europe's and China's), and stay on top of state and community regulation changes that could become more stringent.
- 8) Keep up with new materials, technologies and processes by participating in industry groups. Do whatever it takes to maintain your competitive advantage and not be left behind.
- 9) Do the "easy stuff" first. Find and use ways to use energy more efficiently and negotiate leasing or buy back options when appropriate.
- 10) Get everyone involved — including engineering, design, sales and finance — to make an impact on the entire organization.

In addition to cutting energy costs and carbon emissions from your own operations, you can work with supply chain members to improve in these areas, too. Sharing expertise can also yield real measurable savings. In many cases, energy savings lead to a lower carbon footprint.

"Carbon footprint is absolutely new territory," W. Drew Schramm, a senior vice president at Herman Miller and a member of the committee on social responsibility at the Institute for Supply Management, recently told The New York Times. "We're not sure how we'll measure it, we're not sure how we'll deal with it, but we've told our suppliers, 'Get ready, because we're going to ask you a lot of questions.'"

Moreover, increasingly more companies are turning to alternative energy, buying hybrid fleets and otherwise trying to clean up their own acts.

Frito-Lay, for instance, has an ambitious plan to install at one of its plants the following:

- Fifty (50) acres of solar concentrators;
- A membrane bio-reactor;
- An anaerobic digester to produce methane; and
- A biomass generator.

"If the price of ... resources continues to rise, we will be very happy we made these investments," Rich Beck, senior vice president for operations, told The New York Times earlier this month.

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EMPLOYMENT NEWS

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.



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