

Toledo



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www.apicsToledo.org

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Issue 17 – December 2009

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President's Message December 2009

I'd like to welcome one new professional member who joined the chapter in November, Nicholas Lopez.

BGSU and UT have each added 4 members in the last month.

For BGSU we welcome Kirk Bowersox, Ronald Lacuente, Luke Mueller and Jessica Noble.

For UT it's welcome to Andrew Bossa, Leslie Flory, Michael Shockley, and Andrew Smith.

I hope everyone enjoyed Thanksgiving and where possible you were able to get together with family and friends and celebrate.

Some of you, I'm sure, may also have been out participating in the annual "Black Friday" shopping dash, if you were you might have seen various elements of Operations Management and Supply Chain coming into play, ranging from restricted supply of special items, competition between suppliers, queuing theory at the checkouts and logistics as shoppers debated whether to carry their purchases around with them or take them to their temporary warehouse (aka "the car").

Many of you will now be planning your Christmas decorating so let's apply some APICS principles:

Design your display in advance

Develop a Bill of Materials based on your design

Check your inventory of lights and other decorations against the BOM



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Inspect the inventory for damaged material (are improved warehousing techniques necessary?)
Identify shortages
Source the missing items
Assemble the material to the design
Test the finished product and make any modifications or repairs (one bulb always fails)
Assess the customer satisfaction with the finished article

And if you do have any excess or redundant lighting or decoration material don't put it back into store (remember the cost of carrying inventory) give it to one of the charity stores so that someone else can make use of it.

Hopefully I'll see some of you at our December chapter event, the tour of Alro Steel Corporation, but on behalf of the board of Directors I'd like to wish you and your families Merry Christmas and Happy New year.

Bruce Brechin, CPIM, CSCP

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Executive Vice President's Message

This position is open. Please contact Bruce or Brent if you are interested

[Position description](#)

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Pictures of Sidecut Metropark, courtesy of the editor – Winter is coming!





Answers to November Newsletter CPIM Quiz

Congratulations to [John Cavanagh](#) our only entrant with 5 correct answers

BSCM

Which of the following is generally a function of the physical distribution system?

C. packaging

MPR

A make-to-order manufacturing company would like to cut its backlog from four months to two months. If annual demand is 120 units, the production plan this year should be how many units?

C. 140

DSP

The process of concurrent engineering refers to

C. several teams working simultaneously

ECO

Which of the following are benefits of statistical process control?

- I. Fewer inspection steps
- II. Less preventive maintenance
- III. Quick recognition of problems
- IV. Quick recognition of the effects of correction

C. I, III, and IV only

SMR

Which of the following best measures the production operation's contribution to delivery reliability?

B. percent master schedule achieved





VP Programming Message December 2009
LAST MONTH'S EVENT

We had a great turnout for our Professional Development Meeting on November 18 at Mancy's Italian Grill. We had 21 professional members and guests, as well as 24 student members from Bowling Green State University and the University of Toledo. We were excited to have so many students participate!

Our thanks go to Stan Kirkwood, Jim Boughey, Blaine Stout, and Walt Myers from Business Design Concepts, LLC. Their presentation, "Better Performance by Design", showed us the impact of design on the bottom line. Improved processes can provide a competitive advantage, and design has the largest impact on the performance of any given process. By leveraging the power of design across all aspects of the business and its processes, an organization can establish and sustain a unique competitive advantage. A copy of their presentation will soon be available online. I'll keep you posted!

Dr James Pope from the University of Toledo generously donated text books for our drawing. The winners of the books were Mike Lagnese and Matt Scruta, from BGSU's student chapter. Steve Faber, who is one of the Toledo chapter's professional members, won the free PDM.

I was pleased to have a 73% participation rate for the survey cards (45 attending, 33 cards returned). I appreciate all your comments, and will use your suggestions over the coming months as I set up future events. Thanks for your input!

| | Not Satisfied | | | | Highly Satisfied | | | | Overall Rating | | |
|-----------------|---------------|----|----|-----|------------------|-----|----|-----|----------------|-----|-------|
| | 1 | | 2 | | 3 | | 4 | | | 5 | |
| | No | % | No | % | No | % | No | % | No | % | 4 + 5 |
| Facility | 0 | 0% | 0 | 0% | 0 | 0% | 7 | 21% | 26 | 79% | 100% |
| Dinner | 0 | 0% | 0 | 0% | 0 | 0% | 8 | 24% | 25 | 76% | 100% |
| Topic | 0 | 0% | 0 | 0% | 7 | 21% | 14 | 42% | 12 | 36% | 79% |
| Location | 0 | 0% | 6 | 18% | 5 | 15% | 5 | 15% | 17 | 52% | 67% |
| Speaker | 1 | 3% | 4 | 12% | 4 | 12% | 11 | 33% | 13 | 39% | 73% |
| Meeting | 1 | 3% | 0 | 0% | 4 | 12% | 12 | 36% | 16 | 48% | 85% |

DECEMBER'S EVENT

Alro Steel Corporation
 3003 Airport Highway
 Toledo, Ohio
 Wednesday, December 16, 2009, 5:30 pm

Our next event is a Plant Tour, at Alro Steel Corporation, a metals distribution center located at 3003 Airport Highway in Toledo. Alro Steel Corporation has 56 locations in twelve states. Alro Metals distributes aluminum, stainless steel, carbon steel, alloy and tool steels, and their products include sheet, plate, structurals, extruded bars, hot-rolled and cold-finished bars, pipe and tubing, flooring and expanded metals. Alro Industrial Supply carries cutting tools, abrasives, die supplies, and supplies for material handling, maintenance, and gauging. Alro Plastics carries over a hundred types of engineered plastics, plus vinyl, fiberglass, films, and Teflon Covering.

Service is key for this distribution giant (1,700 employees nationwide, and over \$1 billion in annual sales).The Toledo location of Alro Steel Corporation operates a 110,000-square-foot facility on Airport Highway in Toledo's south end. The Toledo



facility’s 45 employees process more than 40,000 activity lines annually. Orders received in Toledo by 5:00 pm can usually be delivered next day. This high level of service is made possible by Alro’s advanced electronic network; the variety and depth of its inventory, which is unmatched in the industry; and its highly-efficient warehouse and shuttle systems.

If Alro Steel Corporation is one of your suppliers, you should take this opportunity to tour their distribution operation. And anyone in operations management, production, inventory, supply chain, materials management, purchasing, or logistics will want to see this metals distribution center in action! Alro’s efficient distribution system makes them an industry leader!!

The tour is free, but you still must make a reservation at pdm@apicstoledo.org.
 The reservation cut-off date is Thursday, December 10, at 5:00 pm.

UPCOMING EVENTS

APICS Toledo
 2009/2010 Schedule of Events

| Date | Event | Location | Speaker | Topic |
|--|---|--|--|-------------------------------|
| Wednesday, Dec 16, 2009 5:30 pm | Plant Tour | Alro Steel Corp 3003 Airport Hwy Toledo, OH 43609 | Frank Veres | Metals Distribution Center |
| Wednesday, January 20, 2010 5:45 pm | Professional Development Meeting | Pizza Papalis Taverna Room 519 Monroe St Toledo, OH 43604 | Dave Swartz Premium Transportation | Transportation/ Logistics |
| Thursday, Feb 18, 2010 | Joint PDM With ASQ Toledo Chapter | TBA | Tom O’Boyle Miles Technologies | Asset Tracking with RFID |
| Tuesday, March 16, 2010 | Joint PDM With ISM Toledo Chapter | TBA | Joe LaMantia e-Ventus Corp | e-Collaboration |
| April/2010 | Joint PDM With U of T Student Chapter | U of T Campus Toledo, OH | TBA | TBA |
| May/2010 | Plant Tour | TBA | TBA | TBA |
| June/2010 | Annual Meeting | TBA | | |

Denotes a change from the previous schedule.

Sheryl Holbrook, CPIM, C.P.M.

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VP of Membership

(This position is open. Please contact Bruce or Brent if you are interested)

As you would see in the President's Report we did gain one new professional member but overall our number dropped by one from last month so it would appear that 2 members have not rejoined but I do have an explanation for one of the "lost". Apparently one member submitted his renewal notice to his employer and they dutifully sent off their check for his subscription, unfortunately they omitted to send in the full renewal notice and for some reason APICS moved his membership to the Rochester chapter, however he has advised APICS of their error and they have promised to transfer him back to Toledo.

When you receive your membership renewal take a little time to check the details and make sure everything is correct as Rochester is a long drive if you want to attend their events.

Student membership has increased again and now totals 95 across the 2 student chapters, 56 at BSU and 39 at UT; I know some of our student members will graduate in December and I'd like to congratulate them on achieving their academic goals, wish them well for their future careers and hope they continue to participate in the APICS community.

Bruce Brechin CPIM, CSCP

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V.P. Publicity Message December 2009

No Submission in time for this issue.

Chairman's View December 2009

No Submission in time for this issue.

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Education Report December 2009

Unfortunately Otto Steele our VP of Education was recently hospitalized with pneumonia compounded by H1N1, this was quite serious situation but I am very glad to say he has made a good recovery though he has decided to resign his position on the board.

As you know we had committed to start a series of CPIM refresher classes this year, but because of Otto's illness we have not moved from the planning stages. However I am hopeful we will soon be able to get things moving again and assuming there is a sufficient level of interest start the first class in February or March with a goal of completing all 5 modules within a 6 to 12 month period.

Our Basics of Supply Chain Management class is almost finished, we will move forward with the second class, master Planning of Resources, and we expect to start this class in late January or early February.

If you are unsure about CPIM and the modules APICS has created a short on-line presentation which describes the program, provides examples of the materials and lists some of the methods of study.

The link for the demo is shown below and although there is a short questionnaire before the demo starts to give APICS some contact information for follow-up this can be skipped.

http://apics.org/sitefiles/forms/cpim_demo.html

As mentioned last month we delayed our plans for CSCP because the material is going through an update which will be released in mid-December, we do want to offer CSCP in 2010 so keep watching for class announcements. There is also a demo for CSCP, like the CPIM demo it provides more information about the certification program and an opportunity to evaluate the program.

<http://www.learnscsp.com/cscp09/demosurvey.html>

If you are at all interested in finding out about either of these programs I would strongly advise you to take a little time to check out the demos.

Outside of Toledo we expect to offer the Strategic Management of Resources module of CPIM at Jackson Community College starting January 21st, so if this is a better geographic location for you than Toledo and you would like to register or get additional information please contact Dott Znosko at JCC:

dorothy_znosko@jccmi.edu or telephone 517-796-8610

I'm very pleased to say that both Venchurs in Adrian www.Venchurs.com and Terumo Cardiovascular Services in Ann Arbor www.terumo-cvs.com are continuing with their internal CPIM classes.

Bruce Brechin CPIM, CSCP



VP Student Liaison

This position is open. Please contact Bruce or Brent if you are interested

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APICS Student Chapters



In October, our organization hosted a social event for our members as well as provided the ability for students to attend a professional development event. One night we went bowling, which gave our members the chance to take a break from doing homework and studying for exams. On the professional development side, we had 7 of our members attend the Cleveland District meeting where they assisted in the Student Auction, attended presentations and participated in a student breakout session.

In November, our organization hosted speaker Katy Noel, a BGSU graduate and J.M. Smucker's employee, who shared with our students what her transition was like into the workforce, how her experiences at BGSU had helped in her career and she gave advice to us, as future Supply Chain graduates preparing to go out into the workforce. Along with our speaker that month, we had several students attend the APICS PDM held at Mancy's Italian Grill.

As our semester comes to an end in December, our Board looks forward to holding elections and hopefully recruiting some new underclassman that will fill the positions of our upcoming graduates.

Karin Mowery

APICS Vice President of Publicity

Bowling Green State University [To Index](#)



University of Toledo

The UT chapter of APICS held their meeting on November 18, 2009. The meeting was a success with over 50 students attending. The featured speaker was Dan Fortunato from Ford Motor Company where he is Purchasing Director. The in-depth presentation on purchasing enthralled those in attendance. Mr. Fortunato received both his Bachelor's and MBA from UT. The UTAPICS Board also gave away a \$25 gift certificate to a lucky member Bo Li, who by the way is our newly minted CPIM (passed the last exam last week).

James Snodgrass

President, UTAPICS



Test Your CPIM Knowledge – December 2009

Chapter polo shirts for the first 3 (non-instructor) members submitting correct answers to
president@apicsToledo.org

The balance sheet for a firm shows which of the following?

- A. profit or loss for the period
- B. sources and uses of funds
- C. long- and short-term debt
- D. cost of products sold

The result of single exponential smoothing is most like which of the following:

- A. linear programming
- B. moving average
- C. seasonal index technique
- D. data decomposition

Firm planned orders are useful for doing which of the following?

- I. Preventing the system from automatically rescheduling
- II. Creating a planned order that does not agree with the lot sizing rule for that item
- III. Preventing the explosion of requirements at lower levels
- IV. Freezing the timing of a planned order release

- A. I only
- B. III and IV only
- C. I, II, and IV only
- D. I, II, III, and IV

Inventory shrinkage has occurred when physical inventory dollars are less than book inventory dollars.

What is the effect of inventory shrinkage on a company's profit and loss statement?

- A. decrease in the cost of goods manufactured
- B. increase in inventory dollars
- C. decrease in sales dollars
- D. decrease in profits

Marketing personnel in a company implementing lean production are likely to highlight with customers all of the following benefits EXCEPT

- A. incentives for large-lot deliveries
- B. improved on-time delivery
- C. improved quality
- D. reduced customer hedge inventory



VP of Finance Report

This position is open. Please contact Bruce or Brent if you are interested

AS PUBLISHED IN THE DECEMBER 1ST ISSUE OF TOLEDO BUSINESS JOURNAL

Manufacturers eye biz diversification

Strategic regional issue subject of NORED and OMA event

In late November, the Northwest Ohio Manufacturing Forum was held in the Grogan Room at Savage Arena on the campus of the University of Toledo (UT). The session was co-hosted by the Ohio Manufacturers' Association (OMA) and the Northwest Ohio Regional Economic Development Association (NORED).

A capacity audience of manufacturers, economic development officials, and select private sector professionals from northwest Ohio and southeast Michigan attended the forum. The session focused on providing resources and alternatives to area manufacturers interested in diversifying their business.

Business diversification is one of the most significant issues facing companies in northwest Ohio and southeast Michigan. The region has had a disproportion of businesses concentrated in the domestic automobile industry. With the major downturn in this industry, the economy in northwest Ohio and southeast Michigan has suffered. Success with market and product diversification by area manufacturers will have an important impact on the future economy in the region.

There are hundreds of millions of dollars of fixed investment in facilities and manufacturing equipment in the region that are currently significantly underutilized. This capital equipment that is in place and the skilled manufacturing workforce in the area are critical resources that are currently at risk as a result of the economic downturn and structural changes in the auto industry.

It is this situation on which the Northwest Ohio Manufacturing Forum focused. Attending manufacturers traveled from significant distances to fill this session to capacity. Manufacturers came from Jackson, Petersburg, Ida, and Monroe in Michigan and from Findlay, Oak Harbor, Perrysburg, Tiffin, Fostoria, Archbold, Sylvania, Columbus Grove, Edgerton, Bryan, Fremont, Port Clinton, Bowling Green, Toledo, and other cities throughout northwest Ohio.

The program was developed and put in place by the Supplier Recruitment Program (SRP) committee. Several sponsors that came together to make this program happen include MAGNET, UT, Rocket Ventures, the Toledo-Lucas County Port Authority, IPS, Rudolph/Libbe, Inc., and the Council of Supply Chain Management Professionals (CSCMP). *Toledo Business Journal* is disclosing to readers that it has been involved with the organization of this program.

Special assistance was provided by a number of organizations that included Brooks Insurance; Eastman & Smith, Ltd.; Gilmore, Jasion & Mahler LTD; Potter Development; IPS; UT; and Rocket Sports Properties (RSP).

The event was organized to not only provide attendees with a program session on business diversification but also to enable networking. Attendees who chose to stay after the program walked across the street to

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the football stadium and attended UT's final home football game. A number of area companies hosted attendees in their private box suites in the press tower area of the stadium. Attendees enjoyed dinner, the football game, and networking with area manufacturing and economic development professionals.

Dr. Lloyd Jacobs, UT president, opened the session. Eric Burkland, OMA president and Jamie Beier Grant, NORED president, welcomed attendees to the event. Burkland traveled from Columbus and stayed for dinner and the football game in order to get a chance to meet and visit with attendees.

MAGNET's Ken Walker began the program session with a segment titled, *Existing Assets, New Markets*. Walker shared information about opportunities to use current facilities and equipment while also redeploying these assets into the production of products for the defense industries, other government purchasing, and the manufacture of medical devices. Walker provided an abbreviated version of a full session that MAGNET conducts on this subject.

A portion of the program provided attendees with information on resources to assist export activities. Danielle Rust from the US Department of Commerce and Kari Barnes from the Ohio Department of Development (ODOD) provided the audience with information on this subject.

Another segment of the program was conducted by Greg Knudson of Rocket Ventures. This arm of the RGP offers an alternative to area manufacturers for funding new product ventures. For those manufacturers in need of additional equity financing and interested in commercializing a promising new product, Rocket Ventures can structure a funding approach.

Bob Savage with Savage Consulting, CoreNet, and Rocket Ventures also addressed attendees. Savage discussed CoreNet, a network of angel investors, which can provide equity and debt financing. CoreNet can also be a resource for participating manufacturers to find new business ventures.

Savage also introduced three new venture firms to attendees. Principals from Radco Industries, Inc.; Bluetronix, Inc.; and SUREnergy, LLC each spoke to attendees. Each of these three technology-based companies is in need of manufacturing and other resources that could be provided by area manufacturers and represent business diversification opportunities for many in attendance.

The last segment of the program focused on area research and development resources available to manufacturers for new product development and for process improvements. Dr. Deanne Snavelly from Bowling Green State University (BGSU) and Dr. Frank Calzonetti from the UT provided attendees with information on resources and support available from both universities to area manufacturers.

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Midwest Atlantic District

Delaware, Maryland, New Jersey, Ohio, Pennsylvania, Virginia, West Virginia

Next meeting Toledo February 26th and 27th with Student Business Case Competition