

## Content

### 1 Message from the President

### 2 Schedule of Upcoming Events

### 2 APICS Dictionary

### 2 Community Events

### 3 April PDM

### 4 BCIT Work Shops

### 5 PDM Review

The APICS Fraser Valley Newsletter is published by  
**APICS Fraser Valley Chapter**  
 P.O. Box 1614  
 Aldergrove, B.C.  
 V4W 2V1  
[www.apics-fraservalley.org](http://www.apics-fraservalley.org)

#### Contacts:

**Richard Ranftl, CPIM**  
 (604) 767-4822  
[president@apics-fraservalley.org](mailto:president@apics-fraservalley.org)

**Jason Young**  
 (604)507-8509  
[vp@apics-fraservalley.org](mailto:vp@apics-fraservalley.org)

**James Damon, CPIM**  
 (778)773-8725  
[treasurer@apics-fraservalley.org](mailto:treasurer@apics-fraservalley.org)  
[education@apics-fraservalley.org](mailto:education@apics-fraservalley.org)

**Ryan Scott**  
[marketing@apics-fraservalley.org](mailto:marketing@apics-fraservalley.org)

**Iiona Pretorius**  
 (604)657-7751  
[communications@apics-fraservalley.org](mailto:communications@apics-fraservalley.org)

## Message from the President

Thanks to those of you who were able to pack away (or run away from) the kids to come out to our March event last week. For Spring Break, the weather was more like Christmas with the occasional snowflake floating by outside. Those that were able to attend were provided with an excellent overview of what Six Sigma is all about by Dr. Vladimir Kajdan of Starline Architectural Windows (please see our event summary for more information).

Our April event is the final “dinner meeting” of the 2007 / 2008 Season. It is also the APICS Fraser Valley Chapter Annual General Meeting and we will be taking a few minutes before dinner to conduct the AGM which will summarize our past year’s activities and then allow you elect the Board of Directors for the coming year. AGM notice packets are on their way to all of our Chapter members. We encourage all Chapter Members to attend this meeting as it is your opportunity to participate in determining who will be directing the Chapter next year. For those who cannot attend, we encourage you to complete the Proxy Form inside the notice packet and give it to someone who is attending so that your vote is counted.

From my perspective as Chapter President, it’s hard to believe that another APICS Season is coming to a close. After our April AGM we will be working with Freybe Gourmet Foods of Langley to host a plant tour in May, and then its summer break where we get to start to do it all over again. Wow, time sure has flown by fast this year. Looking back part of what makes it seem that time has gone by so fast are all of the things we packed into the year. We revamped our web page and chapter communication systems, (those of you who have been involved in any IT systems implementation know just how big a project like that is), ran a full slate of dinner meetings, conducted workshops (including our first ever full-day workshop facilitated by a guest speaker), taught several CPIM courses, participated in Canada District events and still managed to stay within our budget. We should be able to keep the momentum rolling next year as Mark Latam and Doina Besoiu have expressed interest in running for the Board which means that next year we have the potential to have the largest Board that the Fraser Valley Chapter has had since its initial year.

Hope to see all of you on April 23<sup>rd</sup>.

Richard Ranftl (CPIM)  
 (Soon to be Past) President – APICS Fraser Valley Chapter



## Dinner Meetings and Workshops

We normally hold our meetings on Wednesday evenings, but do move this from time to time to accommodate the schedule of our guest speakers. The following events are “firm planned” more events will be added to the schedule as they are confirmed

### Scheduled Upcoming events:

Date	Event	Presentation	Speaker
April 23 <sup>rd</sup>	AGM & Dinner Meeting	Lean in a Hi-Mix, Low-Volume World	Bob Adams
May 21 <sup>st</sup>	Plant Tour	Freybe Gourmet Foods (Langley)	
July 1 <sup>st</sup>	New APICS Board takes over from Current Board.		

From the last PDM



Free to APICS Members:

#### **APICS Dictionary, 12<sup>th</sup> Edition** Now Available

APICS is pleased to announce the publication of one of the most widely recognized resources in the Operations Management profession – *The APICS Dictionary*. It is the standard for defining terms used in the operations management field, and this 12<sup>th</sup> edition contains more than 4,000 important terms that every operations manager should know. This first new edition in three years features 600 new terms and definitions reflecting the latest trends and mandates in the field.

Your complimentary copy of this internationally recognized educational tool is a member benefit that will help you stay knowledgeable and competitive. Request your copy today at [www.apics.org/freedictionary](http://www.apics.org/freedictionary). Non-members may purchase a copy through the APICS on-line bookstore at [www.apics.org/bookstore](http://www.apics.org/bookstore).

### Community Events:

*Lean Six Sigma Green Belt Training* – April 7 to 11 Vancouver BC

Check out the ASQ web site at [www.asq.bc.ca](http://www.asq.bc.ca) – the April newsletter profiles an upcoming Six Sigma workshop.

*BCIT Open House* – April 11<sup>th</sup> and 12<sup>th</sup>: “Change Your World – Enter Ours”

Open to all who would like to attend, the BCIT Open House (which is held every second year) will feature presentations and display from all technologies. Come and see what the next wave of professionals is learning.

*Women in Logistics Work / Life Balancing* - April 12th

A half-day workshop starting at 8:30 in Burnaby BC. Two guest speakers will cover "Stress vs Distress" and "Work and Life: Balance through Organization" - cost \$38 - for more info check [www.womeninlogistics.com](http://www.womeninlogistics.com) under upcoming events.

*Bob Adam “Lean Principles” workshop* – April 24<sup>th</sup>

For a hands-on introduction to Lean Principles in a High Mix / Low Volume environment you may want to attend this workshop being held on April 24<sup>th</sup> in Surrey. For more information please call Bob at 604-309-0355. A discount is available for APICS members.

## April Dinner Meeting

### **Lean in a High Mix / Low Volume Engineer to Order World**

*“How can we use Lean if everything we make is different?”*

Presented by: Bob Adams

This Lean stuff is interesting and people can understand how it applies to mass production facilities like car companies, where they make thousands of the same things over and over again on an assembly line. But what about companies that don't make the same thing all the time? What about companies that don't make the same thing twice? Can Lean benefit them?

You bet!!

By truly understanding what Lean “really is”, you can see how it will benefit any company, in any business sector, from mass manufacturing too engineer to order manufacturing, from health care too insurance companies.

#### Speaker Bio

Bob Adams is Senior Partner and Business Unit Manager for High Performance Solutions Inc, Western Canada Division. HPS Inc. helps organizations across Canada in the implementation of Lean and the development of Lean Culture.

Bob is a Change Agent Expert with over 30 years of senior management experience in successfully implementing total business process improvements. As a founding member of the BC Consortium for Manufacturing Excellence, the BC Manufacturer's Executive Council, and former Managing Director of The Okanagan Lean Enterprise Consortium, Bob has remained committed to improving the competitiveness of businesses by helping them define customer value and eliminate waste.

#### Event Detail

The meeting will be held at Newlands Golf and Country Club, our usual location. Signs will be posted in the lobby to direct you to the correct room.

Date:	Wednesday March 19 <sup>th</sup> , 2008		
Time:	Registration / Cash Bar	5:30	
	AGM	6:00	
	Salmon Buffet	6:15	
	Presentation	7:00	

Place: Newlands Golf and Country Club  
21025 48<sup>th</sup> Avenue, Langley

Cost:	Members:	\$30
	Non Members	\$40
	Students:	\$20

#### Register:

The website registration will send a pdf file of your registration. (<http://www.apics-fraservalley.org/content.php?id=75>) If you do not have a default e-mail system installed please contact our Director of Programs at [programs@apics-fraservalley.org](mailto:programs@apics-fraservalley.org). Please provide your Name, Company, Phone Number and membership category.

Please register by Monday April 21<sup>st</sup> to ensure that you have a reserved seat.

#### How to get there?



Please register by Monday April 21<sup>st</sup> to ensure that you have a reserved seat.

## 19<sup>th</sup> Annual BCIT “How To” Workshops Starting May 28<sup>th</sup>

Everyone is aware that BC organizations must improve their productivity – whether it relates to materials, people or processes. Determining the best way to improve productivity is the hard part. Often managers are not sure where to begin or which path to take to get the best results. That’s where these “How To” workshops are an invaluable aid. They are designed for the Practitioner – the one who actually makes it happen. The workshops identify where improvements can take place and how to actually implement them.

The workshop format is highly interactive, combining lectures, group discussion, case studies, hands-on activities and reference materials. Over the last eighteen years, hundreds of satisfied participants have been able to implement cost-effective solutions to their operational problems. Manufacturers, distributors, retailers, as well as service organizations will benefit from enrolling two or more of their employees to enhance implementation efforts.

For 2008, the workshops being offered are:

### Materials Management:

- Inventory Management
- Manufacturing Planning and Scheduling
- High Performance Manufacturing

### Process Improvement:

- 5S’s of Workplace Organization
- Introduction to Six Sigma
- Teamwork
- Continuous Improvement
- Process Mapping
- Project Management
- Microsoft Project

### People Skills:

- Managing Through Coaching
- The Challenges of Leadership
- Managing Time for Improved Productivity

All workshops will be held at the BCIT Burnaby campus from May 28<sup>th</sup> through June 20<sup>th</sup>. For more information please access the “Upcoming Workshops” section of the BCIT Venture Web Site at [www.bcit.ca/venture](http://www.bcit.ca/venture).



## March Dinner Meeting Review

### Six Sigma Overview (or – *What the Heck is Six Sigma?*)

*Presented by* Dr. Vladimir Kajdan (Ph.D.)

Many of us have heard the term “Six Sigma” and how companies can use “Six Sigma methodologies” to improve bottom line performance. We’ve heard the name, been told that it works, but very few of us know “what’s under the hood” and how it all fits together. At our March 2008 dinner meeting Dr. Vladimir Kajdan gave us an overview of what the heck this Six Sigma stuff is all about and why many organizations are looking to it as a means to improve business operations.

Dr. Kajdan has many years of experience working with quality systems. His background began with a Ph.D. in statistics from the Kiev Polytechnic University in the Ukraine and developed over the years with his involvement in the American Society for Quality. He is a certified Six Sigma Black Belt (much like martial arts – being a black belt signifies a high level of capability in the “art” of Six Sigma) and currently works for Starline Architectural Windows of Langley as the Director of Business Excellence.

Dr. Kajdan began by showing how Six Sigma evolved from previous quality systems and how it has become a management philosophy focused on reducing variation in business processes. In other words, the fewer times a company “screws up” the less it costs – not only to correct the errors, but to check if an error occurred.

The cost of quality is determined by adding up the cost to prevent errors from occurring, the cost to determine if an error took place, and the cost to correct an error once it has occurred. A typical manufacturing company that does not actively practice Six Sigma thinking can experience a total cost of quality that is about 25% to 40% of total sales (in other words, a \$10 million dollar company can be spending \$2.5 million to prevent, assess, and correct quality errors). This equates to a performance level that is about “3 Sigma” which is a defect rate of about 6%. This defect rate is measured against “opportunities to make a mistake” whether it is making a product, processing information, or in required work processes, (and is referred to as DPMO – Defects Per Million Opportunities). A typical 3 Sigma company has a DPMO rate of 66,810 (mistakes per million opportunities for error). Through a conscious and scientific effort to eliminate the causes of error whether they are machine, human or process related a company can reduce its error rate. As the error rate falls, so does the cost of quality.

Remember what your wise old Granny told you: “A penny saved is a penny earned”. As we save on the cost of quality, those savings are translated into bottom line profits.

As a company improves and reduces its DPMO rate the cost of quality falls. A 4 Sigma company (DPMO of 6,210 with an error rate that now has fallen to 0.62% from the 3 Sigma rate of 6%) can drop their cost of quality to 15% to 25%. Remember our \$10 million dollar company from before – they just reduced cost of quality by about \$1 million. Hmmmm – if you were the owner of that company what would your reaction be if you could make \$1 million more profit without having to increase sales?



This progression continues into the 5 Sigma (DPMO of 233) and into 6 Sigma (DPMO of 3.4). That's right – a Six Sigma company expects that their Defects Per Million Opportunities will drop from the 3 Sigma rate of 66,810 to only 3.4. How much could your company save by making 66,000 fewer errors?

Companies like Xerox, 3M, and IBM have saved billions (with each billion turning from cost into profit). Aha! Now we see why senior management is rather interested in this Six Sigma stuff.

For those interested in finding out more about Six Sigma we hope to be able to shortly post Dr. Kajdan's presentation onto our "past events" section of our web page. You can also check the American Society of Quality British Columbia Section web page for local Six Sigma training opportunities at [www.asq.bc.ca](http://www.asq.bc.ca) – the April ASQ newsletter outlines upcoming training opportunities.

Thank you again Dr. Kajdan for a very informative presentation

