

APICS®

FV



Fraser Valley Chapter

Newsletter

Volume 1, Issue 5

February 2004

## Presidents Message

So far this year, the focus has been establishing the programs, stability of membership numbers and communication by setting up the newsletter and website. The board has also been clarifying what is necessary for a solid chapter.

For the next half of our first year the focus is future programs, creating solid relationships with our education partners and further expanding the awareness of the APICS body of knowledge and the existence of our chapter within the Fraser Valley. As always, in the coming months, we're asking all members to consider what events or topics you'd like to see the chapter present in the future. The more feedback you give the board, the more the chapter fulfills the needs of us – the members. In addition, the most direct way to impact the direction the chapter takes is by being involved with or as a member of the board of directors for our chapter. All members are welcome at all board meetings. Contact any board member to get information on attending or to share your ideas or feedback.

Share your thoughts, as a member your involvement does affect the chapter activities

**Don Baich**

Chapter President

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## January PDM in Review

Our January Professional Development Meeting began with a presentation from two BCIT students (pictured below). They were inviting APICS-FV members to attend a wine and cheese reception at BCIT on February 23. Read more about their event on page 3.



Rob McPhail, CPIM, CIRM (below) spoke passionately on the topic of Sales and Operations Planning as our January PDM featured speaker.



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# February PDM Inventory Control – (Perishable and Obsolescence)

Presented by: Dennis Lord. CPIM

## OBJECTIVE:

To impart a fundamental knowledge of inventory control providing participants with a greater understanding of their roles and responsibilities in the planning and control of inventory and the impact on customer service, inventory investment and profit margins. Inventory control for perishable products and obsolescence will be covered with appropriate examples.

## Inventory management overview

Inventory management and control - classes, functions, inventory costs. Definition of perishable and obsolescence

## Financial impact of inventory

Inventory is invested money and is key to ROI; inventory turnover, days of supply calculations are explained and demonstrated.

## ABC method of inventory analysis (The 80-20 Rule)

ABC Inventory analysis – What, how and why it is important to inventory control

## Forecasting for inventory Control

Understand principles and techniques of forecasting; calculating and using forecast error, forecasting for perishable products

## Inventory replenishment

Techniques for inventory replenishment including perishable products issues

## Calculating safety stock to achieve targeted service levels

Calculating and using safety stocks. Determining customer service levels

## How to measure inventory performance

Learn techniques for measuring and reporting inventory performance

## Summary and feedback

Workshop summary, outstanding questions, completion of evaluation form, etc.



He began by asking the question why have an S&OP? The answer was that to not have an S&OP was to not have any plan at all. And having no plan at all is not a sure way of meeting customer expectations. Having demonstrated that we need a plan, Rob reduced S&OP to its fundamental elements. Those being what are we going to sell and what are we able to make. The sales forecast is not to be for individual SKU's but for logical groups of parts. With the sales forecast in hand it is time to find the true productive capacity for each of the different groups. This is what we are able to make. Now its is time to decide on the time frame within which we will plan. The company that Rob works for does monthly S&OP. In comparing the forecast against available capacity the organization can find where they will face difficulties serving customer demand. After a hearty round of applause, our President Don Baich thanked Rob and presented him with a decorative pewter plate as a gift (below).



January's PDM was very well attended with 31 members, 12 non-members and 7 students attending.

## February PDM Information

The February Professional development meeting will be held in our usual room at Newlands. It will be held in the **Fairmont Room** upstairs. There will be signs posted.

**Date:** Wednesday, February 18, 2003

**Time:** Registration/ Cash Bar 5:30 PM  
Dinner 6:30 PM

**Place:** Newlands Golf and Country Club  
21025 48<sup>th</sup> Avenue, Langley, B.C.  
*See map below*

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

### Register:

You can register through our website at [www.apics-fraservalley.org/dinner.shtml](http://www.apics-fraservalley.org/dinner.shtml) or e-mail our Director of Programs, Warren Hurlen, at [whurlen@garaventa.ca](mailto:whurlen@garaventa.ca) Warren can also be contacted via phone at 604-594-0422 during business hours. Deadline for registration is Friday Nov. 14. **People who register and do not attend will be invoiced.**



## Contact Us

| NAME          | Role           | Email  | Phone                    |
|---------------|----------------|--|--------------------------|
| Don Baich     | President      | <a href="mailto:dbaich@silent-witness.com">dbaich@silent-witness.com</a>     | (604) 574-1526 ext: 8681 |
| Craig Seale   | Vice President | <a href="mailto:craigs@heltonindustries.com">craigs@heltonindustries.com</a> | (604) 854-3660           |
| Jason Young   | Education      | <a href="mailto:jyoung@silent-witness.com">jyoung@silent-witness.com</a>     | (604) 574-1526 ext: 8695 |
| Warren Hurlen | Programs       | <a href="mailto:whurlen@garaventa.ca">whurlen@garaventa.ca</a>               | (604) 594-0422           |
| Tim McBride   | Treasurer      | <a href="mailto:tim@mtnprop.com">tim@mtnprop.com</a>                         | (604) 557-9699           |
| Steve Smith   | Secretary      | <a href="mailto:steve@pacificdv.com">steve@pacificdv.com</a>                 | (778) 773-6348           |

**Mailing Address:** APICS Fraser Valley Chapter, PO Box 1614, Aldergrove, B.C. V4W 2V1

You can also visit our website at [www.apics-fraservalley.org](http://www.apics-fraservalley.org)

## Education Update

Education is off to a great start. For a new chapter to hold courses within its first year is exceptionally rare within the APICS society. We have two courses underway in the Fraser Valley, Basics of Supply Chain and Fundamentals of Warehousing. The support of the membership and of the Vancouver chapter has made this success possible. We look forward to continued partnerships on educational endeavors.

With the first batch of courses proceeding, we are looking to the future. It is critical that you the membership share with us your personal or company's education goals for the next year. Do you see yourself finally achieving CPIM certification? Do you have line level team members who show promise but need some education? Do you want to learn how your job connects with others within the company?

We will be conducting our Education strategy sessions throughout February so don't miss your chance to be heard!

Jason Young VP Education

## BCIT student event

The long running BCIT student chapter of APICS is holding a special event on Monday February 23. The event will be a wine and cheese reception with three speakers from APICS. The purpose of the event is to give the BCIT Operations Management students an opportunity to network with industry professionals and learn about employment trends in the Operations Management field. The reception will be held at BCIT's Burnaby campus in Town Square D at 7PM. Please RSVP to Sue Faust at [suefaust@hotmail.com](mailto:suefaust@hotmail.com) if you are able to come. This is an excellent opportunity to meet some of the young talent coming out of BCIT

# INVENTORY CONTROL – PERISHABLE AND OBSOLESCENCE

**A one-day workshop presented by Dennis Lord, CPIM on Friday February 20 2004**

You have too much inventory! The inventory you have is the wrong inventory and it's not turning. Obsolescence is at an all time high. What do you do about it?

You may be in food processing, pharmaceuticals, or high tech industry and have to deal with replenishing perishable products.

**Perishable and Obsolescence** – What do they mean? What are the underlying problems, which generate excess and obsolete inventory? What is their impact on customer service, inventory investment, and profitability?

Beginning with a review of the “**basics**” of inventory control we will then focus on the financial impact of inventory, segmentation using ABC, forecasting, replenishment techniques and safety stocks. You will examine how these tried and proven techniques work, with lots of paper and pencil exercises. We will discuss how to reduce the formation of slow moving, excess, and ultimately obsolete inventory that distorts inventory turns, require stock write down, and a major cause of loss of profitability.

You are encouraged to bring examples of your workplace issues to this workshop for discussion.

## **Who should attend this workshop?**

This workshop is appropriate for managers, supervisors, and analysts concerned with the planning, management, and control of inventory. It is especially valuable for materials and purchasing managers and planners, buyers, controllers, and anyone overseeing the inventory decision-making function. It will also benefit those looking for a refresher in inventory control or APICS certification maintenance points.

**Registration:** Register for this workshop through APICS Vancouver. Call Nathalie Anguilar at 604-435-9530

## **PROFILE – DENNIS LORD, CPIM**

Dennis Lord is an internationally known practitioner, speaker, educator and consultant in production and inventory management and Executive Director of Inventory Management Solutions.

He brings 25 years of practical experience in industry from both line and management positions and became an independent consultant in 1985 specializing in production and inventory management.

A graduate in business from the University of Toronto, Dennis is APICS certified in Production and Inventory Management (CPIM). He is a popular speaker at APICS professional development meetings and has presented at the APICS International Conference and APICS Small Manufacturing Symposiums.

Dennis is a past president of the APICS Toronto Chapter, past chair of APICS Small Manufacturing SIG (Specific Industry Group), past VP Education for the APICS Peel Chapter, and is currently on the Board of The Operations Management Education and Research Institute of Canada, (OMERIC).

## February Corporate member profile

### Helton Industries, Abbotsford

Since 1981 Helton Industries has provided hardware to the residential and commercial overhead door market. From their 140,000 square foot plant in Abbotsford they ship to a diverse group of customers up and down the Pacific seaboard. Products range from galvanized hinges and door track, to PVC window frames and decorative vacuum formed inserts. Helton is one of North America's largest overhead door hardware manufacturers.

The steady growth of Helton Industries is due to their customer-centric approach. At the forefront of the industry with short lead times, in-house installation expertise and a dedication to providing a top quality product, Helton has consistently grown their market share over the decades.

With this growth has come pressure to reduce waste and do more with the same resources. To that end, Helton has initiated 3 continuous improvement teams. These teams are sponsored by an upper management representative and are comprised of both office and shop floor employees. The team mandates are to eliminate waste and improve production methods. The teams have all received training in value stream mapping. Helton has had a 5S program running since early 2003. The 5S program has greatly increased visibility, organization and cleanliness in the shop.

To learn more about Helton's products and services visit their website at [www.heltonindustries.com](http://www.heltonindustries.com)

## APICS Society calls for volunteers

APICS is a vibrant professional society recognized by inventory and supply chain management professionals worldwide as the leader in certifications, education, and the resources necessary to improve business performance.

This achievement was not obtained and cannot be sustained without the countless contributions made by our volunteer community.

Your experience, talent, and commitment are needed to help shape the future of APICS.

Volunteer today to join our colleagues and the APICS Professional staff in setting the direction of the APICS community.

Positions are currently available on the:

- Body of Knowledge Council
- Voice of the Customer Task forces
- Product Development groups

For more information on volunteer requirements, committee descriptions, and to apply, go to [www.apics.org/Membership/VolunteerConnection](http://www.apics.org/Membership/VolunteerConnection)