

APICS®

FV

Fraser Valley Chapter

Newsletter

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December 2003

## Presidents Message

This is our fourth month as a chapter and it's been a busy few months. We have set up chapter programs, finances, newsletter and website. We successfully held train the trainer sessions and this past weekend we had a training session for the Vancouver and Fraser Valley chapter boards. Recently, we've had confirmation that we will present Basics of Supply Chain Management and Master Planning of Resources at UCFV starting January 13. Registration deadline is January 9, 2004.

In the coming months we'll be working to increase awareness in the Fraser Valley business community by letting businesses know that there is now an APICS chapter closer to where so many of us live or work. If you are aware of a company or individual who would benefit from all the things APICS has to offer, let them know we're an active chapter now. Take the opportunity to share what has benefited you or your company.

Footnote: At the APICS Society level they've been busy too. Check out the new and improved society website at [www.apics.org](http://www.apics.org)

**Don Baich**

Chapter President

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- 1 November PDM in review
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## "Good Forecasts gone bad"

"What is forecasting and what the heck is it used for anyways"...was the ground-shaking question Curtis Roberts, CPIM, threw at his audience at the PDM meeting November 19, 2003. This question immediately rendered the audience wide-eyed; I mean the answer is so simple; to estimate future demand and make customers "less sad" right?

A company's forecast is its estimation, of customer demand and although it will never be accurate it is the closest thing the company has to base its Master production schedule on. The actions of each department through the company are based on what sales determines as customer demand. It needs to be measured and continually improved for the company to remain competitive.

Some would call their forecast a terrible accident; what Curtis referred to as a "hit-and-run" forecast; where the forecast was either deflated or inflated and each department responded accordingly. Too much raw material was purchased, based on forecast, and too many finished products produced because of the abundance of material. Of course, when it came down to measuring the accuracy of the forecast, the company had an over abundance of finished goods.

In one of Curtis's poignant anecdotes, he described a VP of Sales that deliberately under forecasted demand in a presentation to the directors of the company then walked down the hall and over forecasted demand to the production-scheduling department. This may have occurred because the forecast was based on monetary awards for the Sales VP. The VP is rewarded if he sells more than forecast and his customers are happy if they do not have to wait for products from production. In this case the repercussions of personal agenda caused Production to hire additional people at the same time that upper management was trying to cut costs. The result was organizational chaos. A forecast must consider the company as a whole.

Carla Megeth

## January 21, 2004 PDM S&OP Planning with Rob McPhail, CPIM

The upcoming January PDM will be covering the topic of Sales and Operations Planning (S&OP).

This structured process allows organizations a process to manage supply and demand. A well-run S&OP process usually includes monthly meetings wherein executives review plans and make decisions that are then carried out by the rest of the organization. The executive team turns a critical eye on expected demand and product mix, then reviews such factors as production rates, inventory levels, labor schedules, and cash flow -all of the elements that contribute to satisfying demand. The resultant plan will determine the lead times and fill rates that customers can expect. This process sits on top of any master scheduling and is the primary input to any planning, ERP, or MRP systems. S&OP allows managers to control the level of activities in the company by giving a series of family level plans to the organization. As business changes and plans change, this process allows you to control that change in a structured format. What will this presentation cover:

1. What is S+OP and how world-class manufacturers use it? "Oh my God we should be doing this too!!"
2. The mechanics of how to set this up. "The number one planning software in the world, Excel"
2. S+OP and Lean. "I have had enough three letter acronyms (TLA) already"
3. Actual and theoretical case studies. "Lets get our hands Dirty"
4. Tips and Tricks for making this work. "What, the forecast was wrong?"

The January 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 to direct you.

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

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## Winter 2004 course offerings

### CPIM courses at UCFV

We have reached a mutually beneficial arrangement with UCFV. Our courses are going to be taught under the banner of the UCFV School of Business. APICS FV will be sending a special e-mail to all our members and other interested parties.

The APICS Fraser Valley Chapter will be offering CPIM courses starting January 13<sup>th</sup>, 2004 at the UCFV Abbotsford campus.

These courses are designed to prepare you for the CPIM exams given through a computer based testing facility in Vancouver.

#### Basics of Supply Chain Management

Explore the basic concepts in managing the complete flow of materials in a supply chain.

January 13 to March 30, 2004

6:30-9:30 PM

12 sessions

Cost \$ 524

Includes workbook

#### Master Planning of Resources

Explore processes used to develop sales and operations plans, and learn to identify and assess internal and external demand and forecasting requirements.

January 13 to March 30, 2004

6:30-9:30 PM

12 sessions

Cost \$ 524

Includes workbook

**Registration** will be done through VP of Education Jason Young. Contact Jason at [jyoung@silentwitness.com](mailto:jyoung@silentwitness.com) or phone him at 574-1526 ext. 8695.

Registration deadline is January 9, 2004

More information about course content and achieving CPIM designation can be found on APICS online at: <http://www.apics.org/Certification/CPIM/default.asp>

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**Date:** Wednesday, January 21, 2004

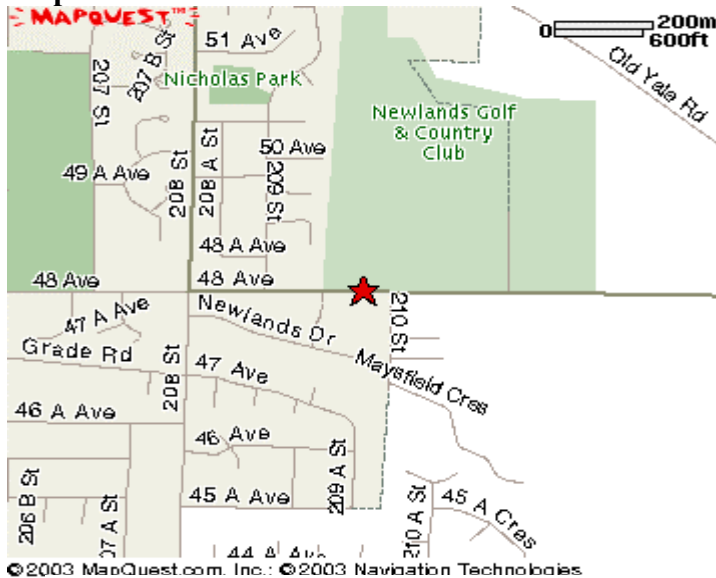
**Time:** Registration/ Cash Bar 5:30 PM  
 Dinner 6:30 PM  
 Keynote Speaker 7:30 PM

**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 Jan. 16. **People who register and do not attend will be invoiced.**

**Map to Newlands**



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

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**Fundamentals of Warehousing**

The Vancouver and Fraser Valley chapters of APICS are jointly hosting this course at Silent Witness in Cloverdale.

This is a special course for those who want to learn the why, what, when, where and how of Warehousing. Course includes warehouse arrangement, control, monitoring, best practices, and more

This course is not only an excellent training for all the persons that work directly in the warehouse, but also a great education to persons that are indirectly related with all the warehouse processes.

The cost for this course will be \$350

More information about course content and achieving CPIM designation can be found on APICS online or by contacting our VP of Education Jason Young (Contact information below).

**Correction:**

On Wednesday November 26, 2003 an information bulletin was sent to the APICS Fraser Valley membership via E-mail. This information bulletin was to announce APICS FV's CPIM exam prep courses (see page 2) that are being offered in January. The notice reads, "cost \$524 including textbook". What is provided with the course fee is a workbook not a textbook. Textbooks are recommended but not required.

# December Corporate Member Profile

The APICS Fraser Valley wants to continually provide value to our members. One of the areas we would like to improve is breaking the ice between different members. Who is out there? What are they doing? Does my company have something in common with this company? Each month the APICS FV newsletter will profile a member or member company. This profile is not meant to endorse one member's products or services over another member. It is meant to be a platform to facilitate communication between members. No corporate member will be profiled without his or her clear consent and content approval.

We would like to thank Simson-Maxwell for being our first corporate member to be profiled.

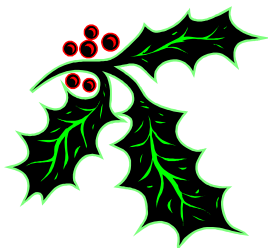
## Simson-Maxwell, Port Coquitlam



Since 1941 Simson-Maxwell products and services have been sold to over 6000 customers across Canada through their seven branches in British Columbia, Alberta, Ontario and Quebec. With an extensive dealer network to service customers, Simson-Maxwell is a respected distributor and OEM for many of the worlds largest engine and power generation companies.

Simson-Maxwell is internationally recognized in the power generation industry for expertise in, engineering, sales and service of quality power generation sets and electrical control equipment under the Simmax brand name.

They are implementing new techniques and philosophies, such as Theory of Constraints, and Lean Manufacturing (starting with the 5S system). They are always looking for talented people to help put these processes into play. To learn more about Simson-Maxwell check out their website at [www.simson-maxwell.com](http://www.simson-maxwell.com)



### *Seasons Greetings*

The Board of the APICS Fraser Valley Chapter would like to extend the very best of the season to all our members and their families. Joyeux Noel.

