

Western Mass Chapter #19



September 2008

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Plant Tour - Oncore Manufacturing

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September 16, 2008 Includes Interactive Discussion on Manufacturing Techniques

President's Message

Don't look now but Labor Day is just around the corner. And while this holiday marks the traditional end of summer in New England it also signals the start of autumn, our signature season, and the return of some of my favorite things: cooler temperatures, fall foliage, college football, and APICS educational activities.

I hope you had a restful summer and are now anxious to continue your professional development by taking full advantage of your membership benefits. We have a spectacular lineup of programs this year and will kick off the season with two exceptional events that you and your co-workers will not want to miss.

First, on the evening of September 16 you will enjoy a plant tour of OnCore Manufacturing (formerly Nu Visions) in Springfield with a short presentation afterward on their planning methods at Salvatore's Restaurant.

And second, please reserve Tuesday, October 28 for a special treat. That afternoon, Bob Stahl will return to Western Mass. for a follow-up to his May presentation on S&OP and Postponement. This time, he will focus exclusively on Sales and Operations Planning by facilitating a round-table discussion with local companies who are in various stages on their own S&OP journey. Watch this space, and your email, for more on this and other special offerings.

A new Board of Directors was elected in June and every one of them has been working diligently over the summer months to develop the kind of interesting programs and valuable membership benefits you deserve. We will continue to make changes that will enhance your APICS experience, while continuing to offer the type of top quality Seminars, Workshops, Certification preparation classes, Plant Tours and professional development meetings that you deserve from the Western Mass Chapter.

Please join us starting in September. Your local chapter and APICS Society can help you on your journey toward excellence in operations management, but only if you choose to participate. I hope you do and look forward to seeing you there.

Best regards,
Bruce Chartier

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APICS, The Association for Operations Management is a worldwide, respected, not-for-profit organization with nearly 60,000 members. **Our Chapter is one of 270 chapters in North America.** We have over 200 members and more than 100 member companies. We are dedicated to helping you.

Plant Tour Oncore Manufacturing

Includes Interactive Discussion on Manufacturing Techniques

Nu Visions Manufacturing, LLC and Veritek Manufacturing Services are now OnCore Manufacturing, one of the world's premier electronics manufacturing companies serving the Defense, Medical and Industrial markets. Building on over 25 years experience, OnCore provides exceptional manufacturing and supply chain services, allowing its customers to focus on their own core business activities like product design, marketing and growth.

Plan to join us as we tour Oncore and then reconvene at Salvatore's Restaurant for a presentation of their planning methods. We will use this input and our own observations of Oncore as starting points for further discussion.

This is a wonderful opportunity to network with members and discuss what techniques their companies are currently using.

Our members' combined knowledge and years of practical experience are phenomenal! We often hear from our members and member companies that they want to have open discussion groups with members of other companies. Here's your opportunity to do just that.

Perhaps there is an area in your company that could use improvement?

Does your company have practices that are proven winners?

This is the forum. Let's combine our intellectual resources in an effort to strengthen our companies and improve our collective knowledge base.



A Diagnosis of the U.S. Automobile Industry

by Ira Smolowitz, Ph.D.

Shares of General Motors closed on Wednesday, July 2, 2008 at \$9.98. "A session low of \$9.96 was their lowest price since \$9.92 on September 13, 1954, according to the Center for Research in Security Prices at the University of Chicago. The price is adjusted for splits and other changes." ¹

"GM on Friday reported a \$15.5 billion second-quarter loss, the third-worst quarterly performance in its nearly 100-year history. Through the first half of the year it used up more than \$7 billion in cash, including \$3.6 billion from April through June." ²

Wharton management professor John Paul MacDuffie has an insightful observation concerning the cause of Detroit's current problems. He states:

"When gas prices spiked in 1980, the U.S. was making very big, gas-guzzling vehicles. So they were very vulnerable to competition from the Japanese and European manufacturers who were used to selling [fuel-efficient cars] in a market where gas prices were much higher. So you would think the U.S. automakers, having lived through that experience once, might be guarded about letting that happen again."

One reason they might have dropped their guard was the irresistible profit margin in light trucks. "The trucks and SUVs had fat profit margins. Even if [the automakers] saw it coming, it would have been hard to shift resources to build more hybrids. The U.S. auto industry has been struggling with a lot of problems for a long time," MacDuffie notes. "They felt that they could not move away from the SUVs and pickups because they needed the profits from those products to cope with the other difficulties they were having...Labor and benefits costs were one of the largest problems." Those costs also meant that

Detroit "was slow to make their factories flexible," which in turn made it more difficult for them to shift quickly from one product to another, adds MacDuffie. So, when U.S. manufacturers decided to reduce inventories of, say pickup trucks, they generally close one or more of the factories that make them. In their European factories, Ford and GM both make fuel-efficient cars that are popular in that market. But the companies have said it would be impractical to ship those cars to the U.S. because of weakness of the dollar relative to the Euro.³

In addition to bringing the wrong product to the market – Detroit, in my opinion, has to address an equally critical problem – improving its production efficiency. Consider the following flexible production parameters employed by Honda:

Shifting Between Auto Types

"Within minutes, Honda can shift between different vehicles such as the Ridgeline pickup and the Civic compact."

Welding With Smart Robots

"Honda uses 200-plus robots in a typical plant welding shop. With a flick of a switch, an operator can reprogram the robots to shift from one vehicle type to another."

Organizing the Assembly Line

"Through training, Honda's workers can handle similar elements for different vehicles to keep the line running smoothly. For example, employers learn to install the wheels on a Civic and CRV."

Keeping Suppliers Close By

"Over half of Honda's North American suppliers are based in the Midwest, where most of the company's production takes place."⁴

Question: Is GM learning from it's mistakes?
Answer: Apparently not.

Consider an observation offered by the business columnist Holman W. Jenkins Jr. concerning GM's race to launch an electric car, the Chevy Volt:

GM's leaders are not nuts, and yet to pour hundreds of millions into a race to launch an electric car, the Chevy Volt, guaranteed to lose money on every unit sold, begins to seem a peculiar strategy for a company in dire liquidity straits.

With each hectic advance in the development process, the expected sticker price to consumers has gone up. Reportedly, off-the-shelf electrical fixtures, such as headlights and taillights, won't suffice because they draw too much power. At last leakage, GM is saying now the Volt may need a sticker price of \$45,000.

At best, the Volt will be an affluent family's third car. It will have to be plugged in for six hours a day – i.e., it will be a car for a suburbanite with a sizeable garage wired for power. It won't be a car for a city dweller who parks on the street or in a public lot. It will travel 40 miles on a six-hour charge. After that, a small gas motor will kick in to recharge the battery while you drive. Some reports claim the Volt will get 50 mpg in this mode, but that's hallucinatory. If using a gasoline engine to power an electric motor were so efficient, the streets would be full of such vehicles. (Our guess: The car will be lucky to get 15 mpg under gasoline power).⁵

To succeed Detroit must: (a) be flexible and anticipate the changes in customer orientation; (b) offer related products that are manufactured on a competitive, cost-effective basis.

1. [USA Today](#) – July 3, 2008, p. 4B
2. Krisher, Tom and Durbin Dee-Ann "\$15.5 billion quarterly loss is GM's 3rd worst" [The Charlotte Observer](#) August 3, 2008, p. 3D.
3. "Behind the Curve: Have U.S. Automakers Built the Wrong Cars at the Wrong Time –Again?" Published July 9, 2008, in Knowledge at Wharton downloaded 7/22/2008, p. 2.
4. Vlasic, Bill and Bunkley, Nick, "The Struggles of Detroit Ensnare Its Workers" [The New York Times](#), July 3, 2008, p. C4.
5. Jenkins, Jr. Holman W. "What Is GM Thinking" [The Wall Street Journal](#), July 2, 2008, p. A11

APICS Certified Supply Chain Professional (CSCP)

In October of 2007, APICS launched the Certified Supply Chain Professional (CSCP) certification program at the International Conference in New Orleans. The goal of this certification program is to provide individuals with the skill set necessary to understand and manage the integration of activities within today's increasingly complex supply chains.

CSCP prepares individuals to effectively and efficiently manage supply chain activities that span across and beyond an organization's four walls leading to reduced costs and increased profits.

CSCP provides in-depth knowledge and understanding in the areas of supplier and customer relations, international trade, the use of information technology, and physical logistics.

BECOMING A CSCP CANDIDATE

CSCP exam candidates must meet one of the following criteria:

- B A or BS, plus 2 years of related business experience
- CPIM, CFPIM, CIRM, or C.P.M. plus 2 years of related business experience
- 5 years of related business experience.

2008 CSCP Exam Dates and Deadlines

December Administration

Exam Date: December 13, 2008

Eligibility Application Deadline: October 17, 2008

Exam Registration Deadline: October 31, 2008

North American Fees

APICS Member: \$575 (US)

Nonmember: \$725 (US)

Exam Retake* \$350 (US)

Contact Ed Kantor, CPIM at (413) 592-6895 or email: edkan@juno.com to enroll or schedule any educational offerings or certification workshops.



Standard for Excellence

CPIM provides a common basis for individuals and organizations to evaluate their knowledge of the evolving field of production and inventory management. The program has helped individuals and their organizations become more productive and competitive because it is designed to test candidates' in-depth knowledge of a variety of subjects specific to production and inventory management.

CPIM has helped more than 66,000 professionals

- Learn to predict outcomes more accurately and take actions that achieve results
- Gain peer and industry recognition
- Gain the knowledge to effectively and efficiently manage worldwide supply chain activities
- Achieve greater confidence and peer and industry

Introducing the NEW! APICS Lean Enterprise Workshop Series

As more organizations decide to go lean, demand is escalating for a skilled team and systemwide approach for developing and implementing lean project plans. This course is designed to equip you with the broad knowledge and tools to map the transformation for developing a lean culture at your organization.

The APICS Lean Enterprise Workshop Series is organized to enable you to approach and understand the lean transformation process systematically. Using scenarios from a fictitious company, Murphy's Toys, you will be tasked with finding lean solutions to a myriad of challenges. This method will provide you with the flexibility to immediately customize what you've learned and implement it at your own organization.

Calendar of Events 2008 – 2009

Plant Tour

Oncore Manufacturing

September 16, 2008

Location: Oncore Manufacturing
Springfield, MA

Speaker : Bob Stahl

Topic: S&OP

October 28, 2008

Location: Yankee Pedlar
Holyoke, MA

Speaker : Michael Francoeur
Dale Carnegie

Improving People Skills

November 18, 2008

Location: Yankee Pedlar
Holyoke, MA

APICS Membership Benefits

Certification Programs	Member-Only Content
APICS Magazine	Ask APICS
APICS Bookstore	Educational Events
Electronic Discussion Lists	APICS Career Center
Unique Services and Discounts	

Joining APICS is quick and easy. Join today and start enjoying benefits of membership.

Contact: Cheryl Denoncourt at
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September 16, 2008

Location: Oncore Manufacturing; Springfield, MA
225 Carando Drive
Springfield, MA

Agenda: Plant Tour
Two groups starting at 4:30 P.M. and 5:00 P.M.

Dinner: Salvatore's Restaurant
1333 Boston Road
Springfield, MA

Networking	5:30 to 6:00 P.M.
Oncore Presentation on Planning	6:00 to 6:30 P.M.
Dinner	6:30 to 7:30 P.M.

Registration:

Members:	\$25.00
Non-Members:	\$35.00
Retirees:	\$17.00
Students:	\$17.00
Tour Only:	\$10.00

Pre-payment will be preferred to facilitate the check-in procedure.

Reservations: Contact Jack Perazella
Call (413) 527-2842, or email at japer@juno.com
No later than Saturday, Sept. 13, 2008

Get Involved!

Are you interested in and helping to plan, organize and set the direction for our chapter?

Develop your leadership skills, increase your experience and advance your career.

Please contact any Board member via phone, email or at a chapter event any time to express what you are most interested to be involved with and start participating today!

Are you curious, but still feel unsure about how to proceed?

Join us at a Board meeting, held the first Tuesday of each month at The Delaney House in Holyoke, MA beginning at 6:00 PM. Chapter members are invited to attend by calling Jack Perazella (413) 527-2842 at least one week ahead to confirm your intention to attend.