

# APICS Volunteer Leadership Workshop Toronto - 2009

**Real life, Real company,  
Real money.....How APICS helped  
improve the bottom line**

**Honey Johnson, CFPIM, CIRM, C.P.M., CSCP**

VP of Education, Past President

Colorado Chapter





# Honey Johnson

## GLOBAL ABILITY

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- CFPIM, CIRM, C.P.M., CSCP
- APICS Member since 1990
- APICS Instructor since 1995
- Colorado APICS board member since 1998
  - Marketing Director, VP of Membership, President, VP of Education
- Work experience
  - 14 years aerospace manufacturing
  - 11 years Tier 1 ERP software education development and quality assurance
  - Currently ERP systems implementation consultant

# About Swisslog

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- The world's leading provider of logistics automation solutions for the healthcare industry
- In 2008, increased training budget to train its operations managers and supply chain professionals in CPIM practices
- Realized over **10%** improvement in their bottom line within the first year of adopting CPIM methodologies!

# In the beginning.....

- It was a cold, dark, December night.....
  - Really!
- APICS colleagues working together to do what was right for the customer
- Customer ‘Needs Assessment’
  - Entire Ops management team
  - CPIM courseware
  - Start courses: As Soon As Possible
  - Complete courses: As Soon As Possible!

# Scheduling Classes

- Possible course scheduling options discussed:
  - Week-day morning classes
  - Week-day evening classes
  - Week-end classes
    - All day
    - Partial day
- Schedule preferred by customer
  - Week-day
  - Day-time

# Scheduling Instructors

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## Get the troops together:

- Colorado Chapter instructors:
  - Full-time supply chain professionals
  - APICS instructors on personal time
- Juggled personal schedules to accommodate Work-day / Day-time classes
  - Vacations
  - Alternative work schedules
- Colorado Chapter created new 'Work-day' Instructor pay rate
  - Partial compensation for making schedule allowances



# Balance Requirements

- Creative schedule needed:
  - Operations management team
    - 17 participants
    - Could not attend simultaneously
      - Split student roster:
        - » Two day-time classes per week, per team
        - » ½ of ops team attend class Monday / Tuesday
        - » ½ of ops team attend class Wednesday / Thursday
  - Balance with instructors' availability
    - 4 instructors scheduled
    - Combination of full and ½ day schedules
  - Result.....

# Team 1

January

# Team 2

	Monday	Tuesday	Wednesday	Thursday
	28	29	30	31
<b>Basics</b>	Instructor 1 - am Instructor 2 - pm	Instructor 2 - am Instructor 1 - pm	Instructor 3	Instructor 2 - am Instructor 1 - pm

## February

	11	12	13	14
<b>MPR</b>	Instructor 4	Instructor 1 - am Instructor 2 - pm	Instructor 3	Instructor 1 - am Instructor 2 - pm
	25	26	27	28
<b>DSP</b>	Instructor 4	Instructor 1 - am Instructor 2 - pm	Instructor 4	Instructor 1 - am Instructor 2 - pm

## March

	10	11	12	13
<b>ECO</b>	Instructor 1 - am Instructor 2 - pm	Instructor 1	Instructor 1 - am Instructor 2 - pm	Instructor 3
	24	25	26	27
<b>SMR</b>	Instructor 1 - am Instructor 2 - pm	Instructor 4	Instructor 1 - am Instructor 2 - pm	Instructor 1



# Ready, Set, GO!

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- Training began January 2008
- Full CPIM program completed March 2008
- Many students took exams between modules
- Swisslog celebrates a milestone during training:
  - 1000 “Accident Free” shop floor days

# Challenges

- Integration of APICS BOK required human capacity considerations:
  - Varying levels of education
  - Varying amount of external industry experience
- Time available to assimilate / use information
  - Swisslog provided working lunch-hour study sessions
  - Provided additional APICS tutoring
  - Supported exam retakes
  - Provided over 1700 hours of employee work-time devoted to learning the APICS BOK



# Challenges

- Change implementation / transformation
  - Revised business processes
  - Physical changes to shop and office configuration
  - Limitations in staff and budget

# Customer Quote

*“The company previously had ad-hoc and experience-based operations systems. These were based on intuition, but not on best operating practices. Resistance was large and insurmountable prior to educating a majority of the staff on the APICS’ body of knowledge and securing their support and assistance with the principles following establishment of management’s vision and direction.”*

– K. Michael Hoganson, Swisslog Senior Vice President



# Customer Quote

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*“It is our philosophy at Swisslog to focus on four core values: Competence, Clarity, Collaboration, and Commitment. Competence allows us to pursue excellence in everything we do. Based on the unique skills of our staff we continuously improve and innovate our services and solutions driven by customer needs. We therefore provide an attractive platform for individual and organizational learning. For the operations group, this learning is centered on the APICS body of knowledge and thus APICS becomes an integral component of our philosophy....”*



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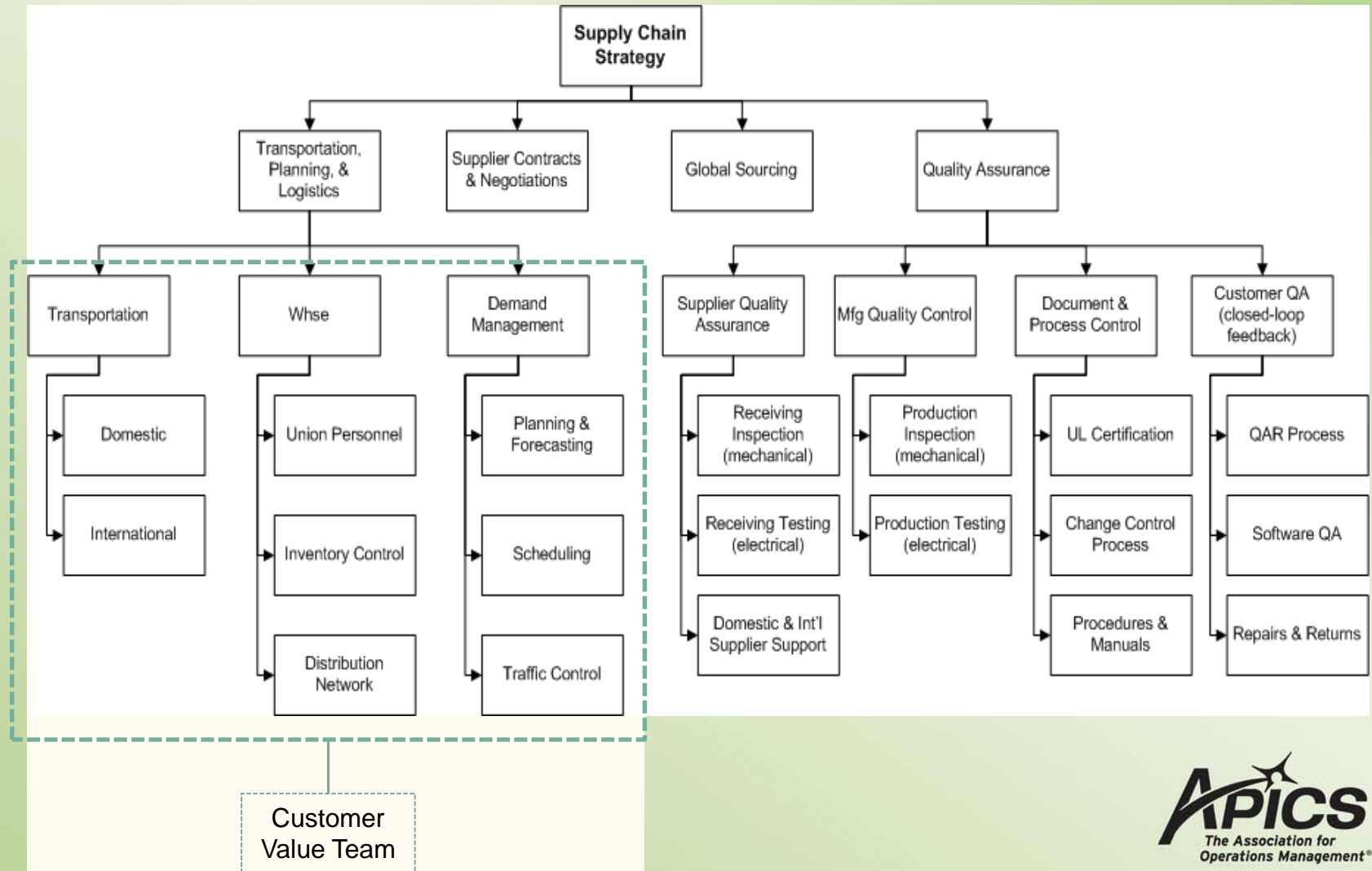
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*“... APICS also provides us with a structured approach to be successful in achieving clarity. Clarity allows us to have a focused strategy towards our common goals, enabling us to be transparent, open, and clear in our expectations, responsibilities, and communication. Naturally, the APICS body of knowledge increases our ability to collaborate more effectively, and employees going through the education process demonstrate our commitment to excellence.”*

— Eric Waski, CPIM, Swisslog Supply Chain Manager

# Changed Org Structure Introducing Value Teams



# Process

## Improvements Implemented

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APICS education allowed transformation of years-old embedded culture into world-class initiatives:

- First Sales and Operations Planning meetings held in 80-year history of company
- Utilizing ERP system to it's fullest potential
- Color-coded labels to track WIP orders
- 2-bin stocking to reduce clutter
- Weld booth moved to support production flow
- 'Point of Use' floor storage
  - Sorted by product family
- Plus other initiatives



# Student Quote

*“Qualitatively, the entire manufacturing organization of Swisslog can now speak and understand the same language. This leads to smooth, cohesive cooperation between the various groups that speeds the manufacturing process and increases throughput.”*

– Kelly Corkran – Swisslog Supply Chain  
Planning Manager

# Actions Completed With Good Results



# WIP Inventory

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# WIP Inventory

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# Tubing Mobile Pallets

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# Carrier Exchange Cases

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# Automated Unitization

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# Lean Workstation

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# After Painting

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Operations Management®

# Improvements In Progress

- Preparing for vertical integration
  - Updating layouts
  - Clearing Offices and Space
  - Outsourcing low-value components
- Qualifying alternate tube source
  - May resolve strategic issues at lower cost
- Shop floor control
  - Piloting shop floor data control underway
    - Speed production cycles
    - Enhance communication
    - Integrate manual processes into management systems
- Data management improvements

# Student Quote

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*“As we apply the knowledge and make positive changes, Swisslog will benefit greatly from the APICS education. This appears to be happening with time, and acceptance that it is OK to experiment, make changes, and get out of the old paradigms is gaining.”*

– Jack Rame, CPIM, Swisslog Manufacturing Engineer



# Student Quote

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*“Our company is currently going through a major overhaul when it comes to our manufacturing processes. This education is benefiting our company as we move through the growing pains of all the changes we are currently implementing. The major challenges we’re facing are related to our internal processes and trying to move forward. It’s difficult in a company that has operated in one way to convince all parties that it’s imperative to make changes, but this education certainly has helped.”*

– Vickey Montano, CPIM – Swisslog  
Business Analyst



# Student Quote

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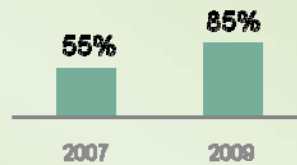
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*“APICS is viewed very favorably within our company as a professional organization that provides us with beneficial business knowledge, as well as being an information conduit that allows us to access timely, current information regarding business trends, best practices as well as providing us with access to valuable professional contacts and networking opportunities.”*

- Kim Ward, Swisslog Director of Supply and Logistics

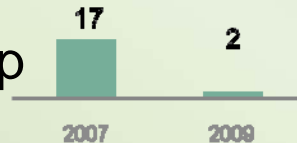
# Performance Improved Significantly.....

Forecast Accuracy %



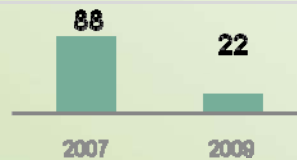
30% Improvement

Critical to Ship Avg/Mo



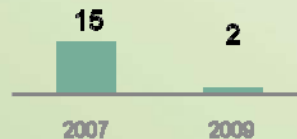
88% Reduction

Expedites Avg/Mo



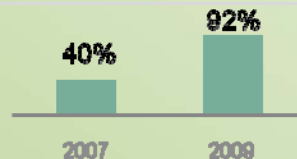
75% Reduction

Shortages Avg



86% Reduction

On-time % Orders



52% Improvement

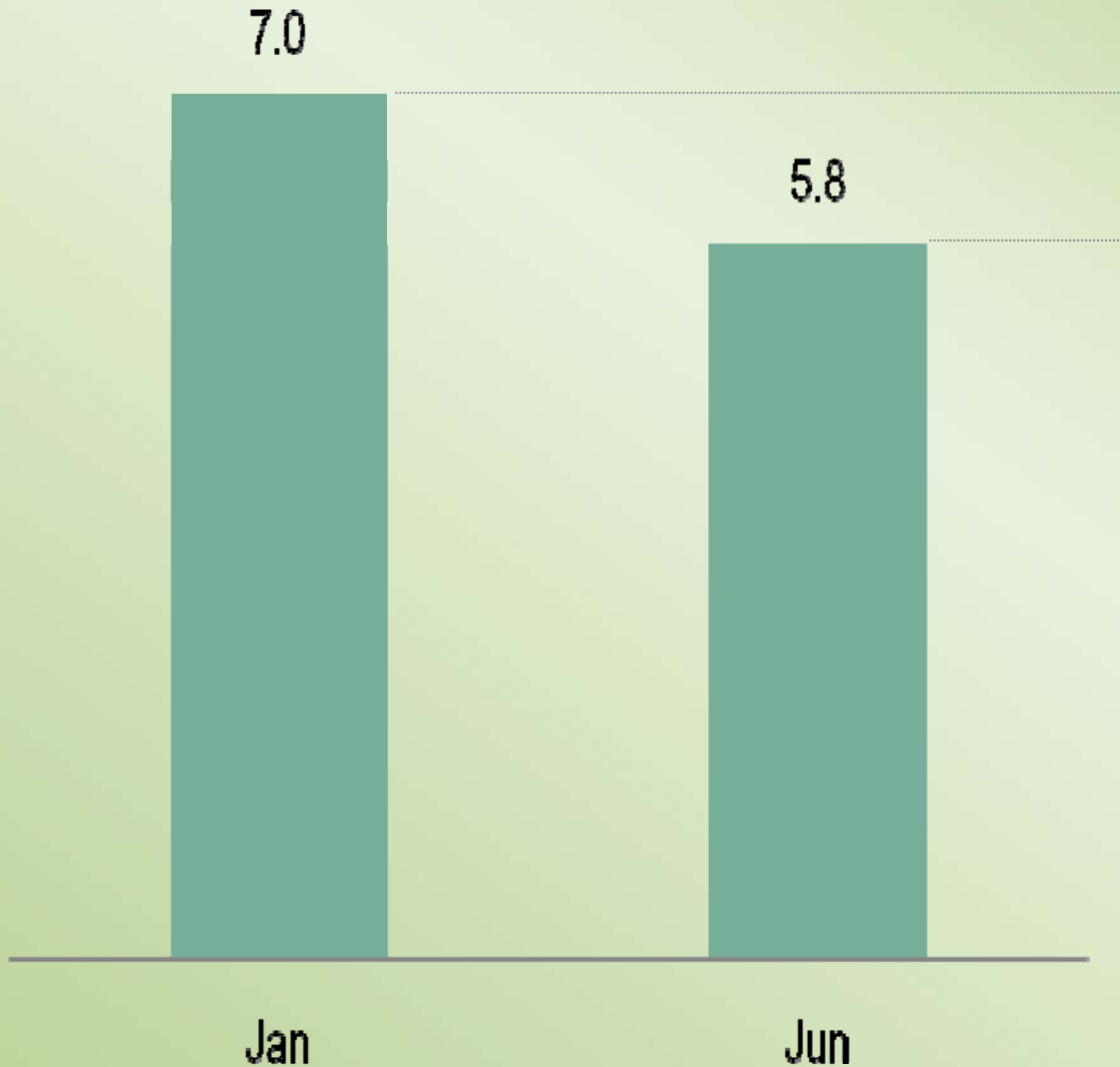
# Total Inventory, (\$ Millions)

2009, All Fixed Categories and Types

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1.2

- Automated Forecasting
- SIOF Integration
- Customer-Value Team Integration
- Better Systems & Control
- Response to Demand Volatility

# Company of the Year 2008

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## Additional Satisfied Customers



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# Merritt Equipment

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*“The courses that were taught here have had a lasting effect on this company, even though more than half of the attendees have moved on to other companies.*

*The shop floor manager attended the classes along with people from Accounting, Purchasing and Production Control. At the very least this has helped communication and understanding.*

*Everyone who attended these classes now thinks with almost every decision about and understands who and what they affect.*

*When there is a problem or project to solve, the management group is talking the same language to make the most effective company decision.*

*In the recent down turn in the industry, like everyone else we had to let people go. With the training received through the CPIM classes I was able to put those people in place to train and strengthen the core group.*

*Also they are able to take on more of the load that comes from doing more with less.*

*System (inventory / production) decisions can still be managed and proceed without a direct manager’s intervention.”*

Mark Minnis - Production Control Manager



# Crocs

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*“From the outset of my class attendance I was able to understand not only my role in the planning systems but also other peripheral roles. This illustrated all the different elements, front-end to back-end, of the product push from concept to delivery, QA and customer satisfaction. With these classes already in full moment, I could see that the other planners had benefited greatly from their prior involvement during my absence. I observed a “hardening” of the language and terminologies being used in the group, so that we all communicated much better in and out of the team.*

*Concepts became much better understood in areas that we did not typically run, i.e.: forecasting or the manufacturing floor, giving us (me) a greater sense of visibility to those segments. With visibility usually creates more control and this was just the case. In looking at ongoing planning problems, I came out of the APICS training with a much higher sense of my active scope in the processes.”*

Lyman Sutherburg – Supply Chain Specialist



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**Thank you!**

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