



The Production Line

APICS REGION XIII CENTRAL INDIANA CHAPTER • VOLUME XXIII • NUMBER 4 • OCTOBER 2007

OCTOBER PROFESSIONAL DEVELOPMENT MEETING

Supply Chain Execution: Looking Beyond the Four Walls of the Warehouse

While many companies have seen measurable improvements within their warehouse operations, Supply Chain Execution goes beyond the four walls and addresses other improvements and benefits, specifically in the areas of financial and customer service. This presentation will give attendees an overview of Supply Chain Execution, focusing on Warehouse Management, Traffic Management, Event Management and Collaboration. The presentation will also discuss trends for best practice improvements utilizing SCE Performance.



Magazine, Inbound Logistics, Parcel Shipping & Distribution Magazine as well as the WERC, MHIA and VertMarkets websites. He is a frequent speaker on Supply Chain topics for APICS, HP World, DC Expo, Parcel Shipping Forum, Common IT, Frontline Solutions and the NCOF Conference.

Learning Objectives:

- Overview of Supply Chain Execution and the different areas that encompass SCE
- How companies are taking their operation beyond the warehouse walls, integrating with planning concepts, and seeing results
- The trends today and what they mean to your operation

Scott Eggenberger—*Principal, Cornerstone Solutions, Inc.* Scott has spent over 25 years developing a strong background in Supply Chain Execution. As a Principal for Cornerstone Solutions, Inc., a supply chain execution consulting firm, he has strengthened his comprehensive knowledge in the distribution arena. Scott has authored several articles for Plant Services

PDM MEETING INFORMATION

Date/Time	Thursday, October 11th, 2007 5:30 pm Registration—Networking 6:15 pm Dinner 7:00 pm Presentation
Location	Embassy Suites Hotel (Indianapolis North) 3912 Vincennes Road, Indianapolis, IN 46268
Pricing	\$5 student Member \$10 student Non-member \$25 Member \$30 Non-member
Registration	Register online at www.apics-cind.org . Please register by Monday 010/08/2007.

APICS
The Association for
Operations Management

Central Indiana Chapter



SCHOLARS/MENTORS PROGRAM

In past communications I have indicated that a Scholars/Mentors Program would be started this September. Now October has arrived so, I wanted to take this opportunity to share a little more about the Program and where the idea originated.

If you have ever had a chance to attend the APICS International Conference, then you are likely familiar with the scholar/mentor program sponsored by the Education and Research (E & R) Foundation. The APICS E&R Foundation was established to help support students as well as provide resources for industry research. Having participated as a mentor at conference the past two years, I was able to learn more about the benefits of the program. The one thing that I found to be a negative about the program was that it only lasted the 3 days at conference. The scholar that I was matched up with at the 2006 conference was one of the students our chapter sponsored from Purdue University. We were able to maintain our scholar/mentor relationship through the remainder of this past school year. About half way through the school year the idea finally surfaced about extending the 3 day program from conference to run the entire year. Setting up a program at the chapter level would also increase the number of scholars from the local student chapters that could benefit from such a program.

The mission statement for the program is as follows:

It's providing students a chance to build a network of industry contacts before they've even graduated. It's giving back to the operations management community. It's ensuring the future of the profession. It's giving the professionals in the Central Indiana Chapter an opportunity to better understand the current knowledge base of the upcoming graduates.

There are expectations for both the mentors and the scholars that participate in the program.

MENTOR EXPECTATIONS:

Attend at least 4 Central Indiana dinner meetings with Scholar

- Share personal experiences
- Help Scholar network with other professionals

Have minimum of one 10 minute phone call each month with Scholar

- Discuss preparation of resume
- Share recent experiences
- Discuss goals/expectations of Scholar after graduation
- Provide general guidance
- Provide an 800 number or cell number for student to call

Facilitate/host a visit of workplace for Scholar

SCHOLAR EXPECTATIONS:

Attend at least 4 Central Indiana dinner meetings with Mentor

- Network with other professionals
- Make it a point to introduce yourself to the speaker

Stay in contact with your Mentor

- Student will initiate/schedule the monthly phone call with Mentor
- Keep a logbook of your discussions for future reference

Take advantage of this great opportunity to learn from professionals

A survey will be sent to both Mentors and Scholars throughout the year to check progress. The feedback throughout the year will provide an opportunity to make any needed modifications to the program on the run, so that both sides are realizing the full benefits of the program.

I am really excited about this program and I hope that you are as well. If you would like to participate as a mentor, please contact me at president@apics-cind.org

MAKE IT HAPPEN

Jason Wheeler

APICS-CIND: www.apics-cind.org | APICS-FTW: www.apics-fortwayne.org
 APICS-MICH: www.apics-michiana.org | IndyASQ: www.indyasq.org | PMI: www.pmicic.org

2007 to 2008 Program Year Professional Development Meetings & Seminars

Date	Title	Presenter/Sponsor	Location
10/11/2007	Beyond Your Four Walls	Scott Eggenberger	Embassy Suites North
11/8/2007	If you build it they will come —Achieving Success by Building Rapport	Tom Schulte	Embassy Suites North
11/30/2007	Capture and Cage Project Risk	Lee A. Peters	The Marott, Indianapolis PMI
December TBD	Pacer Game		Conseco Fieldhouse
2/14/2008	My Learning Style	Harvey McChesney	Embassy Suites North
3/20/2008	Various Topics—Joint Meeting with PMI/ASQ	Tom Schulte	Five Seasons
4/10/2008	Sales & Operations Planning	Dick Ling	Valle Vista Conf. Center

Plant Tours

10/03/2007	Major Tool & Machine Time: 6–8 pm	1458 East 19th Street Indianapolis, IN
11/13/2007	Brightpoint Distribution Facility	501 Airtech Parkway Plainfield, IN

Seminars

4/10/2008	Sales & Operations Planning	Dick Ling	Valle Vista Conf. Center
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The Central Indiana Chapter welcomes the following new members:

New Professional Members

Shelton Oakes	Gabrielle Duncan	James Bishop
Neil Gudgeon	Michelle Miller	Vishnu Jaju
Amber Watt	Anthony Gioscio	Jason Vale
Prudence Strain-Gamso	Frank Brown	

New Corporate Voting Members

Larry Dresch – Caterpillar Incorporated
Bradley McCollum – Jarden Home Brands

Lisa Elick, CPIM –VP Membership

Focus on Supply Chain Management: SOX and Inventory Reconciliation

Getting the Numbers Right

No matter how much information about the Sarbanes-Oxley Act (SOX) of 2002 is disseminated, the role company executives play bears repeating time and time again to ensure compliance.

When SOX was signed into law on July 30, 2002, it changed the way executives at nearly every publicly traded company thought about their business. Summarized in one sentence, the key tenet of SOX is that publicly traded companies must now provide financial transparency when preparing their financial reports. Both the chief executive officer (CEO) and the chief financial officer (CFO) must certify the accuracy of this financial transparency quarterly. Keeping this in mind, let's explore how this basic tenet is applicable in one very important area of supply chain management activities—inventory reconciliation.

There are three basic issues involved with inventory reconciliation. It may not be apparent at first blush, but let's examine why SOX demands accurately and timely review of materials to ensure inventory numbers.

1. The materials are physically present.

Because CEOs and CFOs must validate financials quarterly, the law significantly raises the importance of inventory reconciliation, as well as the pressure on executives to accurately account for their inventory. Traditionally, inventory reconciliation has been done on a periodic basis and generally annually.

Under today's compliance laws, however, processes must be in place to confirm what a company says it owns each quarter is truly in its possession. For example, if a company says it has \$40 million in inventory but can only definitively account for \$35 million, it will have to make an adjustment and write off \$5 million for the quarter. If the materials are not in the company's possession, reconciliation must take place quarterly to ensure the financials are accurately depicted.

2. The inventory value is correct.

Not only must the inventory be physically accounted for, but through SOX the inventory values must correctly reflect market conditions. As we all have experienced, the market value of purchased inventory may be different from the value at time

of purchase. Therefore, if an inventory item is purchased for \$100/unit, this value must be reviewed quarterly for SOX purposes. If the market value of this \$100 item is now \$75, are we systematically reviewing the values to ensure the inventory account has been revalued to reflect the market price?

Why is this necessary? The CEO and the CFO must certify the financials of the company and the inventory values are certainly very visible in the financial statements. If the book value is still listed at \$100 and not revalued to \$75, then the financials are overstated and they violate the basic tenets of SOX—the ability of stockholders to see the true value of the inventory and financial condition of the company.

3. Inventory values are accurately represented within the accounting system.

When organizations operate in a lean environment, inventory control often takes a back seat. Too often material transfers are not processed on time and a true "inventory to accounting records" situation is difficult to achieve. With SOX, it is imperative that all movements of inventory or fixed assets be recorded in a timely manner given their definitive financial impact. So, if a company's systems and processes are such that transactions are not recorded on time, the company may be subject to SOX violations. With quarterly certification by both the CEO and CFO, timely recording is a necessity.

Use SOX as your "calling card" to the CEO, CFO, or department head to improve processes, obtain additional resources, or implement new systems to meet the demands of SOX and inventory reconciliation. Traditionally, the budget for either people or systems is difficult to obtain in the inventory world. However, knowledge of SOX and the profound implications that exist with these inventory reconciliation issues should certainly open the door for discussion of and consideration for personnel and systems needs.

Bob Engel, C.P.M., national director of client service, Resources Global Professionals, can be reached at (713) 401-1979 or via e-mail at bob.engel@resources-us.com.



Central Indiana Chapter

Invest in the Future of APICS

WE NEED YOUR HELP. **As you may have already heard from our region vice president we are making a request to contribute to the Scholars Education Program for APICS 2007. The following is an excerpt of a letter from Joe Shedlawski, CPIM, APICS President related to this important issue.**

The **Scholars Education Program** is a wonderful opportunity to invest in the future of APICS and operations and supply chain management. We bring scholars from around the globe to experience the conference and the APICS community and build student chapter leadership in hopes of developing future long-term members, advocates, volunteers, and leaders for APICS. Last year we had 60 scholars from 23 colleges and universities from around the world. This year we expect to have more than 100 scholars along with the 31 student winners of the regional case competitions. This will be our largest event ever—IF we can collect the funds.

Our funding comes from contributions (tax deductible for U.S. individuals and corporations) and at this time we have slightly more than \$50,000. We are a little over halfway to our 2007 goal. Time is running out.

I would like to make a personal appeal to you, your chapter, and your region. If your chapter or region has not already donated to this year's scholar's program, please encourage them to do so. I believe every chapter should support this program as an investment in APICS' future. Only 23 chapters have made

donations so far. Three regions have made region donations. A handful of APICS leaders have made personal donations. Please, follow their example and demonstrate your support of this program and of APICS with a personal contribution, if possible.

The **APICS Educational and Research (E&R) Foundation** has also donated funds. So far the E&R Foundation is the largest donor. We are very grateful to those APICS chapters and leaders who have donated to this program. Thank you for your generosity and dedication to the profession.

We need a lot more chapters, regions, and leaders to help us achieve our goal. As chapter officers, you can make a huge difference in the success level of this program, now and for years to come. The future of APICS and the development of our profession benefits from this program. We cannot accept students until we have the funds; therefore, we need the donations quickly so we can notify students that they have been accepted and they can make their travel plans.

Thank you for your continued support.

For more information about the Scholars Education Program, and to **sign up as a mentor**, please check out the following link at www.apics.org/scholars.

To donate, please send your check to:

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The **Production Line** is published monthly by the Central Indiana Chapter of APICS, the Association for Operations Management, to provide its members the news and activities of the chapter. Comments, suggestions and story ideas are welcomed and encouraged.

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**The Association for
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