

# FIRST NEWS

*The Official Newsletter of Canada's First APICS Chapter*

November 2007

APICS Hamilton Chapter - Presidents Message for November 2007

By Ross Liddycoat

Members, Volunteers and Students

Your Board of Directors and myself are again working diligently to keep the Hamilton APICS Chapter on track and moving forward as per our strategic plan. We still have two chair positions vacant (Membership and Administration) although volunteer committees are now in place to handle most of the duties required. We also have two chairmen (Program & Finance) who have graciously stayed at their posts and we are now setting up committees and individuals to take over their duties. We have a healthy list of volunteers and we are slowly working them into positions where they are comfortable. I thank them all (Directors and Volunteers) for their tireless work. If any of the membership would like to volunteer some time in any of these areas, as a Director or Committee member your assistance would be very welcome. We as a chapter are quickly approaching our 50th anniversary and it is our goal to be at 150 members plus corporate memberships before that time.

Membership has increased over the last few months but we also have a list of past members who have not renewed. If you need assistance renewing your APICS membership please visit the APICS website or call me and I can help out in that area.

Our next Professional Development Meeting will be Thursday, November 22nd featuring Mr. Ed White presenting Forecasting 101. This promises to be a good night to bring

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## Upcoming Events

Thursday  
Nov 22

### Professional Development Meeting

Topic: Forecasting 101

Speaker: Ed White

Royal Botanical Gardens

Doors open 6:30 pm

Presentation 7:30 pm

#### *Activities include:*

Socializing and networking

Finger Foods, Refreshments

Speaker Presentation

Door prices

This event counts as 1 certification maintenance point.

To Register call (905) 689-9117



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**Advertising Space Available**

First News, the newsletter of the Hamilton Chapter, is published four times yearly, and is distributed to over 200 Resource Management professionals.

The Hamilton Chapter makes advertising space available to members, member companies, or companies providing services of interest to our members.

**Advertising Rates**

Ad Size	Member	Non-Member
1/8 Page	\$25.00	\$45.00
1/4 Page	\$60.00	\$75.00
1/2 Page	\$100.00	\$120.00
Full Page	\$225.00	\$300.00
Insert	\$150.00	\$175.00

For more information, or to place an advertisement, contact the Hamilton Chapter business office at: (905) 689-9117, or Fax (905) 689-3374 or mail to:

APICS Hamilton Chapter  
2025 Guelph Line  
Suite 230  
Burlington, Ontario  
L7P 4X4

Inserts must be provided in sufficient quantity to cover the distribution size. Rates are for camera ready submissions only.

First News is the newsletter of the Hamilton Chapter of APICS, It is published quarterly, and is distributed to Chapter members and area businesses.

Please send articles and letters to:

**First News**

c/o James Webb, Editor, 2025 Guelph Line, Suite 230, Burlington, ON, L7P 4X4, Tel: (905) 689-9117, Fax: (905) 689-3374, Email: nfo@apicshamilton.org

<http://www.apicshamilton.org>

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your co-workers with you, especially those from Sales & Marketing, Finance, Customer Service and Manufacturing. This announcement will be emailed shortly and please acknowledge your attendance as soon as possible. There will be no PDM in December as is our custom but I know Eric Somers is trying to set up two site tours for the new year. If any members can offer their place of employment as a possible tour site please get in touch with Eric or myself.

Education numbers are down this year and my request to the membership and volunteers is two-fold. We are now facing higher minimums at the colleges and do not want to have to cancel any classes. Also underway is the development of the Company Coordinator program where members and volunteers are being asked to act as the chapter's contact point with their employer. We all know that word of mouth advertising is the best so we would like individuals to talk to us about spreading the Hamilton APICS Chapter course offerings and activities throughout their workplace through their Human Resources Departments. If you are able but need assistance please call me and Ed White and I can bring you up to date on the details. We will also gladly visit your workplace and bring management up to date on our offerings also.

We are also planning a return to Niagara College in September 2008 as well as hopefully starting up the CSCP Program at Brock University and possibly McMaster. To this end we are setting up a 'private' CSCP offering in the Hamilton / Burlington area starting in January 2008. If you are interested please call Pam or Eric Somers or myself for further information.

As APICS is a volunteer organization the Hamilton Chapter can never have enough volunteers. If you can help out in any of the areas outlined above please call me personally and I will gladly put you to work. This could be as little as three hours a month or any amount you have to give. I joined this chapter in 1982 and have met and worked with many individuals who have given their time freely to the growth of this chapter. I ask you to please help out where you can. We need Directors in the making, committee members, company coordinators and students - any and all graciously accepted.

By Ross J. Liddycoat, CPIM, President, APICS Hamilton.

**Town Hall PDM October 4, 2007**

*APICS Hamilton Chapter Board of Directors reviewed chapter activities and received feedback from attendees.*



## Education Program:

### Programs Offered at Colleges

Prgm	Loc	Winter (Starts 2nd week of Jan 2008)				Spring (Starts 2nd week of April 2008)		
		Mon	Tue	Wed	Sat	Mon	Tue	Wed
FMOM	Mohawk	FOP, Jan7 7-10pm (12)	FOM, Jan8 7-10pm (12)		FOP, Jan12 9am-12pm (12)		FMC	
	Sheridan		FOP	FOM				FMC
CPIM	Mohawk		BSCM, Jan8 7-10pm (10)					BSCM
	Sheridan	BSCM					BSCM	
	Chapter	SMR		DSP		MPR		ECO
Applica- tion	Mohawk							

### CPIM Exam Preparation Classes—Burlington Schedule

Classes will be held at the Burlington  
Public Library

6:30PM - 9:30PM unless otherwise  
indicated

The cost for each course is \$522  
(plus GST) for members and \$580  
(plus GST) for non-members. Fees  
include the class participant guide  
and a primary reference text.

For more information, e-mail  
[cpim@APICSHamilton.org](mailto:cpim@APICSHamilton.org) or call the  
Chapter at 905-689-9117

Evening Class Schedule		
	Monday	Wednesday
<b>2007</b>		
September - November	ECO	MPR
<b>2008</b>		
January - March	SMR	DSP
April - June	MPR	ECO
September - November	DSP	SMR
<b>2009</b>		
January - March	ECO	MPR
April - June	SMR	DSP
September - November	MPR	ECO
<b>2010</b>		
January - March	DSP	SMR
April - June	ECO	MPR

See page 4 for course descriptions and further details

### Education Programs:

For more information contact APICS Hamilton Education at (905) 689-9117, or by email at [info@apicshamilton.org](mailto:info@apicshamilton.org),

Or follow education email link via website [www.apicshamilton.org](http://www.apicshamilton.org)

## Course Descriptions:

FMOM: Fundamentals of Materials and Operations Management Program Certification Courses

FIC Fundamentals of Inventory Control

FMHW Fundamentals of Materials Handling and Warehousing

FOP Fundamentals of Planning

FOM Fundamentals of Operations Management

FMC Fundamentals of Manufacturing Control

CPIM: Certified in Production and Inventory Management Certification Review Courses

BSCM Basics of Supply Chain Management

MPR Master Planning of Resources

DSP Detailed Scheduling and Planning

ECO Execution and Control of Operations

SMR Strategic Management of Resources

Application: Application Oriented Courses

Lean Just in Time Lean Operating Principles

**For Winter, 2008, we will be offering the following CPIM review courses:**

### Strategic Management of Resources (SMR)

Mondays, January 7—March 10 (10 classes) (A detailed schedule will be handed out at the first class)

6:30PM – 9:30 PM at the Burlington Public Library, New Street, Burlington

Explore the relationship of existing and emerging processes and technologies to manufacturing strategy and supply chain-related functions. The course addresses three main topics: aligning resources with the strategic plan, configuring and integrating operating processes to support the strategic plan, and implementing change.

### Detailed Scheduling and Planning (DSP)

Wednesdays, January 9— March 12 (10 classes) (A detailed schedule will be handed out at the first class)

6:30PM – 9:30 PM at the Burlington Public Library, New Street, Burlington

Focus on the various techniques for material and capacity scheduling. Study detailed descriptions of material requirements planning (MRP), capacity requirements planning (CRP), inventory management practices, and procurement and supplier planning.

### CPIM Review Course Costs:

The cost for each course is \$522 (plus GST) for members and \$580 (plus GST) for non-members.

These fees include the class participant guide and a primary reference text.

### **How do I register?**

To register, please e-mail the Hamilton Chapter at [cpim@apicshamilton.org](mailto:cpim@apicshamilton.org).

Cheques, in the amount of \$553.32 (members) and \$614.80 (non-members), which includes the course cost and GST, should be sent by mail to APICS Hamilton Chapter, at 2025 Guelph Line Suite 230, Burlington, ON, L7P 4X4. Cheques should be made payable to "APICS Hamilton Chapter", and must be received at or before the first class.

*Note: Participants will be billed for any costs associated with NSF Cheques.*

Payment by credit card can be arranged on a request basis. Please indicate in your e-mail that you will be paying by Credit Card, and we will make the appropriate arrangements.

Please note class size is limited for this course. Students are accepted in the order in which their registrations and payments are received. Payment must be received in order to guarantee a seat in the class.

### **What is the cancellation policy?**

All registered participants are required to notify the APICS Hamilton Chapter of any cancellations by sending an e-mail message to [cpim@APICSHamilton.org](mailto:cpim@APICSHamilton.org) with your cancellation. Cancellations may be made up to the end of the first class, provided the materials are returned to the instructor unopened. There will be a \$15 administration fee for cancellations. Refunds will not be given after the end of the first class.

## **Please keep posted for CSCP (Certified Supply Chain Professional) instructor lead study courses to be offered Winter 2008.**

For more information, e-mail us at [events@APICShamilton.org](mailto:events@APICShamilton.org) or call the Chapter line at 905-689-9117

*Feature Article by: Ed White, CPIM, CIRM, CPF.*

## *How you Doin'?*

In the immortal words of Joey Tribbiani, "How you doin'?" On hearing that phrase probably 99% of people in North America immediately think of the TV show "Friends". That is a relatively safe forecast due to the huge impact that show had during its run on television but it is still a forecast. When Friends was still running on television the management group would have been forecasting weekly ratings for the show based on a number of factors such as core audience, time of year, competition (other shows), specials (such as season openers), promotions, etc. Based on this forecasted rating and on historical ratings the group could make decisions ranging from price to various production costs all leading to a budget and forecast of profitability.

Is this starting to sound familiar? All companies go through very similar processes though admittedly not with the same visibility in most cases. Still, your company must forecast demand (ratings) based on your core customers, seasonality, cycles, competition, promotions, etc. So lets change the question a little bit to "How's your forecast doin'?" (I know, not

anywhere near as catchy.) All companies can be broken down to two groups, those with a formal forecasting process and those with an informal forecasting process. Notice, everyone has a forecasting process but those with an informal forecasting process are making each department forecast in a vacuum without proper input or agreement from other departments. This is inefficient, ineffective and extremely expensive to the company. No matter how inaccurate a formal forecast is, it is still preferable to an informal forecast. As the old saying goes “Failure to plan is a plan for failure” and since there is a direct correlation between the forecast and the plan then a “Failure to (formally) forecast is a forecast of failure”. So what if you do not have a formal forecasting process, how do you set one up? First, keep in mind that everyone forecasts all the time so the thought process is already known and familiar to everyone. The problem is that people do not think of it as forecasting which we all “know” is this huge time wasting, number crunching exercise that is probably hated more than doing physical inventories are. Fortunately, like so many other things that we all know, it just isn’t true. While in some, or even in many cases, it is true that the process is painful, it does not have to be and the benefits of a formal forecasting process far outweigh the work. First, you need to get people to understand that forecasting is easy and that an inaccurate forecast is not a problem. A perfect example of this is your drive to work in the morning. You know what time you need to arrive at work. This is your target and like any production process you then schedule backwards to get your starting time (when you have to leave) by subtracting the travel time from the finish or target time. The problem of course is that you can not know in advance what your travel time will be so you make your best guess (or forecast) based on history and modified by such factors as time of the year, day of the week, weather, traffic reports, etc.

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## Meet your Board of Directors

President ..... Ross Liddycoat, CPIM  
 Executive Vice President .... Ed White, CPIM, CIRM  
 Director, Administration.....  
 Director, Education ..... Gary Bryant, CPIM,  
 Director, Finance ..... Lee Johnson, CPIM  
 Director, Membership .....  
 Director, Programs..... Eric Somers, CPIM, CIRM  
 Director, Communications... James Webb, CPIM

If you are interested in volunteering time, the Board of Directors needs members to assist in special projects. Please contact the Hamilton Chapter Office for more information at (905) 689-9117. The Chapter can also be reached by email at [info@apicshamilton.org](mailto:info@apicshamilton.org), or on the web at <http://www.apicshamilton.org>.

# Volunteering

## Get more out of your APICS membership

Volunteering is a great way to have fun, learn new skills and give back to the learning community.

*To get involved please call (905) 689-9117 Administration, or email [info@apicshamilton.org](mailto:info@apicshamilton.org),*

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You are not using a computer to analysis the history nor are you even consciously thinking about the process as a forecast. You just make your best guess and leave accordingly. Once you actually get on the road you find out how good your assumptions were. Maybe it is moving faster, maybe slower, maybe all the factors balance to make you right on time but at some point you arrive at work and now know how accurate your forecast was. The odds are that you were off by at least a little, maybe by a lot, but most of the time it really does not matter because you added in a cushion to ensure no problems. If you had an important meeting first thing then you probably added a bigger cushion than on a normal day. This is the equivalent of safety stock in the business. The more critical a failure the more safety stock you carry. The point is that the inaccuracy of the forecast of your driving time is not a problem as you used safety stock (extra lead time) to ensure it would not be a problem. The more accurate your forecast is, the less safety stock (lead time) you need to allocate and therefore the longer you can stay in bed in the morning. (As mentioned earlier, the benefits of a good forecasting process outweigh the work.) Most people do not think of this as forecasting because it was all done in their head but it is the identical process to an informal forecast. Even with a formal forecasting process at work it does not need to be complicated. The simplest forecast is just taking what we sold last month as the forecast for next month.

Whatever process you use, you should still calculate the forecast accuracy based on this number as it is your base forecast and the effectiveness of your process should be measured against it. If it gives you an accuracy of 60% and your formal process gives an accuracy of 65%, is the cost of the process worth the increase in accuracy? The other measure you should be looking at is accuracy trend. Rather than setting an arbitrary accuracy target you should be more interested in whether it is getting better or worse. So long as the trend is to a more accurate forecast then you are doing something right. If the trend is flat or even showing a decreasing accuracy then you need to re-evaluate the process.

This brings us to the final question; what process or program should you use? In the end there are probably many answers to that question. You need to develop a process that is understandable by everyone in the company as information could, and should, come from anyone. You need to have a process that is user friendly so people will use it. You need to have a process that gives you an acceptable accuracy at an acceptable cost. Most of all you need to have a process that is used. Used to create a forecast. Used as a planning tool. Used as a driver for inventory planning, scheduling, budgeting, etc. It doesn't need to be painful or a lot of work but it does need to be used which means people have to understand both the process, the value of the process and the goal of the process. All the people involved. Not just the forecast department or the IT group or upper management, but everyone involved. This means that any forecast process must include an educational component along with the more normal training component. It is not good enough to know how to do something. Everyone must also understand the why. If you already have a formal process in place, is it the right process, is it too complicated, does everyone understand the why as well as the how? Again, these questions can probably only be answered after some additional education has taken place so take a look at your current process, see what is available and what is useful to you and then start looking for ways to improve the process and then the answer to the question "How you doin'?" will be "GREAT".