

Precisely Wrong - Why Conventional Planning Systems Fail and What to do About It

TOP MANAGEMENT NIGHT Wednesday, April 18, 2018

At the heart of most supply chains lies a planning tool called Material Requirements Planning (MRP). Invented in the 1950s, codified in the 1960s and commercialized in the 1970s, MRP became THE way of life for supply order generation and synchronization throughout the world. Yet the people that interact with MRP everyday know that something is very wrong. They may not be able to explain exactly why, but they know that if they did exactly what MRP told them to do, it would have disastrous consequences for their company and their career.

What if there was one fatal flaw in MRP that makes it distort the relevant information that planners, companies, and supply chains are desperately seeking? What if correcting this one fatal flaw would allow the promise of MRP to be attained and the bullwhip to be effectively mitigated? Precisely Wrong: Why Conventional Planning Fails and How to Fix It will expose this fatal flaw and trace its impact to everyday situations encountered by planners and buyers and the larger supply chain. Additionally, an elegant solution to overcome this flaw will be revealed. Readers will walk away with a new depth of understanding about conventional planning systems and a list of things they can begin to implement the very next day. This work goes beyond the planning mechanisms of an organization and shows a roadmap for all levels to drive adaptation, protect and promote the flow of relevant information, and survive and thrive in the today's complex and volatile environment.

Features

- Provides a unique and simple view of the core problem underlying these systems, enabling a company to see a clear and relevant planning picture.
- Gives companies an essential description of the most known and pervasive issue in supply chain called the bullwhip effect, and how it relates to the core problem.

About the Speaker: Carol Ptak, CFPIM, CIRM, Jonah, CDDP Partner, Demand Driven Institute



Carol Ptak is currently a partner with the Demand Driven Institute (www.demanddriveninstitute.com) and was

Carol Ptak continued on page 2

TMN Event Information

Date: Wednesday, April 18, 2018

Location: Salvatore's Italian Gardens, 6461 Transit Road, Depew, NY 14043

Time: 5:00-6:00 pm.....Registration, Cash Bar, Networking
6:00-8:30 pm.....Dinner, Presentation, Prizes & Awards

Cost: \$35 Members & Guests until 4/10 7pm; \$40 thereafter; \$30.00 Full-Time Students, Members not in the Workforce or Retired. **Tables of 8:** \$240.00 for full table of 8 thru April 13 7pm.

Dinner: Salvatore's Country Club Buffet

Register: Online at www.apics-buffalo.org or call APICS at PPM OffiCenter (716) 648-0973

Notes: Reservations requested by 4/16 at 7 pm but may be accepted later pending space availability.

Cancellation Policy: Please call APICS at (716) 648-0972 by 2:00 p.m. of the day prior to the scheduled event to notify us of any changes or cancellations. Cancellations after this time are subject to billing if a replacement cannot be found.

CAROL PTAK continued from page 1

most recently at Pacific Lutheran University as Visiting Professor and Distinguished Executive in Residence. Previously, she was vice president and global industry executive for manufacturing and distribution industries at PeopleSoft where she developed the concept of demand driven manufacturing (DDM). Ms. Ptak spent four years at IBM Corporation culminating in the position of global SMB segment executive.

A leading authority in the use of ERP and Supply Chain tools to drive improved bottom line performance, Ms. Ptak's expertise is well grounded in four decades of practical experience as a successful practitioner, consultant and educator in manufacturing operations. Her pragmatic approach to complex issues and dynamic presentation style has her in high demand worldwide on the subject of how to leverage these tools and achieve sustainable success.

She holds an MBA from Rochester Institute of Technology and completed the EMPO program at Stanford University. Ms. Ptak is a frequent educator at the university level and presents at many key technical conferences around the world including South Africa, France, Israel, Australia, Ireland, the Netherlands and fourteen APICS International conferences. She is the author of numerous articles and the books Orlicky's Material Requirements Planning 3/E with Chad Smith, MRP and Beyond, ERP, Tools, Techniques and Applications for Integrating the Supply Chain, Theory H.O.W. with Harold Cavallaro, Necessary but not Sufficient with Dr. Eli Goldratt and Eli Schragenheim. Together with Dean Gilliam she updated Quantum Leap, originally written by John Constanza. Ms. Ptak has lent her name to the internationally coveted Ptak Prize for Supply Chain Excellence that is awarded annually by ISCEA (International Supply Chain Education Alliance.)

Ms. Ptak is certified through APICS at the fellow level (CFPIM) and was certified in Integrated Resource Management (CIRM) with the first group internationally. Ms. Ptak was the President and CEO of APICS, The Educational Society for Resource Management for the year 2000. Prior to her election as APICS President, she served on the Society in a variety of positions.



Mission Statement:

To be the number one resource for Operations and Supply Chain Management education in WNY.

Vision Statement:

To develop leaders and inspire individuals and organizations to pursue excellence through lifelong learning and career advancement in the field of Operations and Supply Chain Management.

Student Chapter Reports



University at Buffalo Chapter

March was a great month for the UB SCOM club and its members. The annual UB SCOM case competition welcomed professionals from local businesses, as well as UB School of Management faculty, to judge the student presentations. We were grateful to APICS Buffalo for sponsoring our event. The students had some great presentations and learned a lot from our judges through feedback, as well as discussion after the competition.

Our General Mills information session drew a large crowd of students eager to learn about the company and ask our speakers about their career paths.

With the semester winding down, our club will hold elections for an E-Board that will continue the success this club has had over the academic year.

Submitted by: Alexander Lesins
Secretary, UB Supply Chain & Operations Club
MBA Candidate, Class of 2018, UB School of Management
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Program Evaluation



PDM Wednesday, March 21, 2018

Topic: "The Mind of a Leader: Can Cognitive Science Help Us Become Better Leaders?" by Bob Collins at Salvatore's

1=poor; 2=below avg; 3=avg; 4=above avg; 5=excellent

Response Average Results:

- 1) Speaker clear & easily understood: 4.6
- 2) The material content was clear & understandable: 4.6
- 3) The program topic was interesting & informative: 4.5
- 4) The questions/answers were direct & to the point: 4.2
- 5) The speaker was knowledgeable: 4.8
- 6) How likely are you to promote APICS & its offerings?: 4.8
- 7) Food & facilities satisfactory: 4.6

Comments:

- ♦ Limit presentation length; interesting but too long.
- ♦ Prefer topics focused on the APICS Body of Knowledge.

Future Topic Suggestions, Speakers, or Tour Locations:

- ♦ APICS has grown, including supply chain, traffic...
- ♦ Carol Ptak!

Respondents –

APICS Members: 86%; Non-Members: 14%

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President's Message



Spring is almost here....I can see the sun. Easter is behind us and all we have to look forward to is green grass, flowers and NO snow.....

As one season begins, another ends and if you can believe it we are almost at the end of another fantastic APICS year with our TMN night coming up soon on April 18th with Carol Ptak speaking on conventional planning systems, some of the challenges that are encountered with them and how to overcome those. Carol's engaging style and comprehensive knowledge of the supply chain is sure to make this a "can't miss" event.

Coming off of Bob's Collins March PDM around cognitive science it's a great way to close off our 2017-2018 PDM programs. As always a big thanks to the team that made all of that possible, led by our program team to ensure we not only had a comprehensive offering but one that appeals to the leading trends and needs of organizations.

My message this month is all around change. Something that all of us undoubtedly are very familiar with. In March, I had the opportunity to attend our Spring District meeting in Albany, NY. It's always nice to hear perspective and vision from other chapters as well as understand the vision of the overall APICS organization into the future. We were reminded that as with most large organizations, change is coming and efforts are being made to our offerings, our energy and our resources and the needs of membership. Adjustments to the educational offerings, district structure and new programs are all evidence of that work.

Looking around the room, you can feel the passion of the people that have been engaged for a long time and the energy of some of the new attendees. It also reinforces that the Buffalo chapter and membership continues to be very strong. We endured many changes through the years in our region but still continue to present the passion and vision to lead us into the future.

Change is inevitable, that much will never change but we will continue to do it in the most practical and beneficial way. What I would appeal to all of you is to be part of that change and part of that vision. Reach out to your board members, attend a PDM or volunteer on the board. Even if that message is just one of awareness of a new trend, technology or opportunity to strengthen/improve our current offering, we want to hear them.

As always a big thank you to the board and the membership without whom, none of this would be possible.

Yours in APICS,
Albert Testa, CPIM
President, APICS Buffalo Chapter

THE UN-COMFORT ZONE with Robert Wilson

Good Advertising is Rooted in Psychology

I share a strange story from
my early days in advertising.



Back in the early 1990s, the marketing director of a small software company called me in for a consultation to help them with their advertising. She told me that I had been recommended to her by one of their customers, and by one of their vendors. She explained that the company was in crisis. Until recently, they had been very successful. Their software was a business application which served many different types of companies, and they had grown rapidly. During this time, they had enjoyed the tranquility of being the only player in a niche market. Their success inspired the owner of the company to send out press releases and in turn the company received a lot of positive publicity. The publicity, however, attracted the attention of several larger software companies, who upon learning of the lucrative niche market decided to enter it as well. Soon the little software company was losing market share to the larger competitors.

When I first heard their story, I thought of an old joke my father had told me. It was about a little bird who failed to migrate south early enough and was caught in a snowstorm. Its little wings iced up and it crashed into a barnyard where it looked like it would soon freeze to death. But then a passing cow dropped a load of manure on the little bird. The warmth of the manure thawed out its wings and the little bird was so happy it began to sing. A cat heard the bird, dug it out of the manure, and ate it. The moral of the story, my father said, is just because someone craps on you doesn't mean they are your enemy; and just because someone takes crap off of you doesn't mean they are your friend; and when things are going well you should keep it to yourself so that you don't attract unwanted attention.

On my arrival at the software company, the marketing director led me into a conference room. As I asked her questions about their current marketing strategy, I noticed she kept looking at her watch every minute or so. After about five minutes, she told me that the president of the company wanted to sit in on our meeting. Almost immediately, the door to the conference room flew open, and a burly, florid faced man burst into the room without introducing himself. He walked rapidly toward me, and I assumed he was the president of the company. I rose from my seat and extended my hand in greeting. He ignored my gesture to shake, and slammed a stack of laminated company advertisements on the table in front of me and demanded, "If you know so damn much about advertising, tell me which of these ads worked and which didn't."

I was shocked by his rude behavior and my first thought was, "I'm not taking this - I'm outta here!" My second thought was, "Wait, this could be a lucrative account." So instead, I took a deep breath and counted to ten. I was a little disconcerted that anyone would question my ability in such an obnoxious way - especially when I had been highly recommended to the company. I had expected my expertise to be accepted because of the word-of-mouth referral. After composing myself, I was able to respond to his request.

This was years before I would teach advertising at Georgia State University, or travel the country giving seminars on how to create advertising that sells. At first I wondered if I could answer his question. He didn't offer any sales reports or other tangible proof I could use in my assessment. He didn't tell

when, where, or how long he ran the ads. But I had several years experience in advertising, so I believed I should have some idea. I said, "OK, I accept your challenge." And, I began looking over the six ads he gave me. In less than five minutes, I gave him my answer.

I separated the ads into two piles. The first pile had two ads that were simple, black and white ads with no graphic elements at all - just headline and copy. The second pile had four brightly colored ads with photos, illustrations, and numerous design elements. Pointing to the first pile, I said, "These two ads may have generated a small response, but far from what you hoped for." I could tell by the look on his face that I was correct. I then pointed to the second pile, and stated confidently, "These four ads generated no response at all."

The company president's mouth fell open and he said, "You're absolutely right." He then demanded angrily, "How can you know that?"

I tried to explain to him that there is a science to advertising. It's not rocket science, but there are simple principles of psychology to be followed that insure an ad will work. Most of the ads from the zero response pile had humorous headlines, photos and illustrations that had nothing to do with his product. Beginners, who have watched too many Budweiser commercials, believe an ad has to be funny or clever to get attention. Below the headlines and visuals were dense blocks of copy that would turn away any casual reader. The copy in all of his ads mostly bragged about the company's growth, and said little about the product other than its features. There was no copy which pointed out the benefits the customer would gain from doing business with this company. By contrast, in a successful ad, the headline and its supporting images call out to the target audience letting them know about something beneficial to them.

The greatest failure of his ads was that they did nothing to show how his software would solve his prospective customer's problems. Advertising is all about problem solving; and people are motivated by solutions to their problems.

After the meeting, I learned from the marketing director that the owner had created those ads himself and had expected me to praise them. When I didn't, he grew angry. I understood that his anger was really about his company losing market share, but he was also a control freak who had built his business himself, and wasn't accustomed to accepting advice from others. Needless to say, we did not do any business together. Sometime later, I heard he ended up selling his company to one of his competitors.

The software company owner's problems seemed to stem from his pursuit of publicity. When you use public relations as a marketing tool, you relinquish control of the message. Advertising is much more expensive, but you control the message and who sees it.

Even though, I didn't get the job, I learned a lot that day about my ability to diagnose ads which I was able to use in helping other companies. What adverse situations have you encountered, where the silver lining was the awesome lesson you learned from it?

Robert Evans Wilson, Jr. is an author, humorist/speaker and innovation consultant. He works with companies that want to be more competitive and with people who want to think like innovators. Robert is the author of ...and Never Coming Back, a psychological thriller-novel about a motion picture director; The Annoying Ghost Kid, a humorous children's book about dealing with a bully; and the inspirational book: Wisdom in the Weirdest Places. For more information on Robert, please visit www.jumpstartyourmeeting.com.