

THE HORIZON



Houston Chapter

<i>Highlights</i>	1
<i>President's Message</i>	2
<i>Event Calendar</i>	3
<i>CPIM in a Year</i>	4
<i>Certification Schedule</i>	5
<i>Event Locations</i>	6
<i>APICS Definition</i>	7
<i>How to Address the Universal Problem?</i>	7
<i>APICS Definition</i>	7
<i>CSCP Program</i>	9
<i>The tyranny of lowest price</i>	9
<i>Houston Board</i>	10
<i>List of Company Coordinators</i>	10
<i>Holistic Approach to Lean</i>	11
<i>Top Management Night</i>	12

**Top Management Night
Details on Page 12!**

Visit us at:
www.APICS-Houston.org

TOP MANAGEMENT NIGHT, JUNE 18 WITH JIM "MATTRESS MAC"



Jim "Mattress Mack" McIngvale is a Texas-grown phenomenon who knows how to "Save You Money, TODAY!" In 1981, Mack and his wife Linda started Gallery Furniture with five thousand dollars and a dream. Mack began television advertising early on and with his motto of "Early to bed, early to rise, work like heck and advertise", he quickly became a household name

The triumph of Gallery Furniture is mostly attributed to Mack's "do-whatever-it-takes" approach to pleasing the customer. Mack's strong work ethic is matched by his philanthropy and exceeded only by the commitment he has to his family.

Read more details on page 9

CPIM AND CSCP FALL PROGRAMS ARE AVAILABLE! REGISTER NOW!

Our APICS CPIM and CSCP Fall Programs are open for registration.

What would you do with a 13% raise?
Enroll into our CPIM Program to find out!
Do you want to earn 11% more than your colleagues?
Enroll in our CSCP Program!



Read more on Page 4 and Page 9

APICS INTERNATIONAL CONFERENCE OCTOBER 19-21, NEW ORLEANS!

Attend APICS 2014 to:



- *****Learn** best practices to create more sustainable, resilient, strategic and value-driven supply chains.
- *****Engage** in hands-on discussions and work with peers to develop solutions to today's complex problems.
- *****Connect** with professionals who are shaping the future of supply chain and operations management.

Go to www.apics.org/sites/conference/annual/home for more information!

PRESIDENT'S MESSAGE



Ballots for the APICS Houston Board were sent to our membership and the elections were closed at the end of May for the 2014 - 2015 Board of Directors. The results will be presented during Top Management Night at The Hess Club on Wednesday, June 18, 2014. Former President, Dr. Robert Vokurka, will be hosting the installation of the Board of

Directors.

Several members of the APICS Houston Board attended our joint District Meeting including the Terra Grande and Canadian Districts in San Antonio, TX on May 2nd and 3rd. A special subject was the status of the merger of APICS with the Supply Chain Council. This merger unites two industry leaders to create the premier global provider of supply chain research, education and certification programs. The two organizations provide individuals and corporations the opportunity to evaluate and improve their supply chain performance.

PROFESSIONAL DEVELOPMENT MEETINGS

Our keynote speaker at APICS Houston Top Management Night Professional Development Meeting (PDM) is Jim McIngvale, a.k.a. "Mattress Mack", of Gallery Furniture. Jim will present "Discovering the Supply Chain at Gallery Furniture" on Wednesday, June 18, 2014.

In 1981, Mack and his wife Linda started Gallery Furniture with five thousand dollars and a dream. Mack began television advertising early on and with his motto of "Early to bed, early to rise, work like heck and advertise", and quickly became a household name. He is best known for his energetic, fast-paced sales pitches, typically ending with some variant of his catchphrase "Save You Money, TODAY!"

His distinctive sales style originated from an incident that occurred early on in Gallery Furniture's history. Faced with financial difficulties, McIngvale invested all his remaining money in a television commercial to be aired on two stations. While watching the commercial being produced, he became dissatisfied and ad-libbed a sales pitch, speaking rapidly because of the limited amount of time available. The commercial proved very effective, and his sales increased dramatically afterward.

The triumph of Gallery Furniture is mostly attributed to Mack's "do-whatever-it-takes" approach to pleasing the customer.

Mack's strong work ethic is matched by his philanthropy and exceeded only by the commitment he has to his family.

In 1999, McIngvale spoke to the British Deming Association annual conference about the influence of W Edwards Deming on his business methods. A transcript of the talk appeared in the UK Deming Newsletter in June 2000.

In addition, during Top Management Night, APICS-Houston will present the annual awards for outstanding contributions of companies, volunteers and members, recognize all newly certified in CPIM and CSCP during the 2013 - 2014 fiscal year, and install the newly elected Board members for the 2014 - 2015 term.

For registration or more information on our events, visit our website at www.APICS-Houston.org or contact Catherine Brown at Programs@APICS-Houston.org.

STUDENT PAPER COMPETITION

Again this year the Terra Grande District and the Heartland District will be conducting the Chuck Nelson Student Paper Contest. As many of you know, Chuck Nelson was a great leader in APICS, especially in the Terra Grande District, prior to his passing away in 2007. Papers were submitted from both graduate and undergraduate universities within the two districts and the winners will be announced in June 2014. Prizes of \$1000 and \$500 will be awarded for first place and second place for both categories.

APICS CLASSES

A couple of our late spring classes and our fall classes are for registration. Again, if you have interest in registering for our classes, I highly suggest planning ahead and registering early to insure class availability.

Unfortunately, we continue to have to decline registrations when our classes are full.

APICS Houston is now holding classes in new locations during 2014. Check out our Powell Industries and Houston Food Bank locations on our website. Look for more locations and classes to satisfy our customer needs.

For more details, please see the APICS Education and Certification page in this newsletter or visit our website at www.APICS-Houston.org.

Best regards,

Eddie Whitfield CPIM, CIRM, CSCP, MBA, P.E.
President, 2013-2014
 APICS Houston Chapter 36
President@APICS-Houston.org

APICS HOUSTON CHAPTER EVENT CALENDAR—NEXT MONTHS

June -14				
Date	Event	Speaker	Location	Hour
18-Jun	Top Management Night!	Jim McIngvale	Hess Club	5:30 PM to 8:30 PM
Aug -14				
Date	Event	Speaker	Location	Location
21-Aug	PDM: To Be Defined	TBD	Hess Club	5:00 PM to 8:30 PM
Sept -14				
Date	Event	Speaker	Location	Location
18-Sep	PDM: To Be Defined	TBD	Hess Club	5:00 PM to 8:30 PM

For more information, go to www.APICS-Houston.org under **Events**

THE PEOPLE WHO STARTED STAPLES SUPPLIES

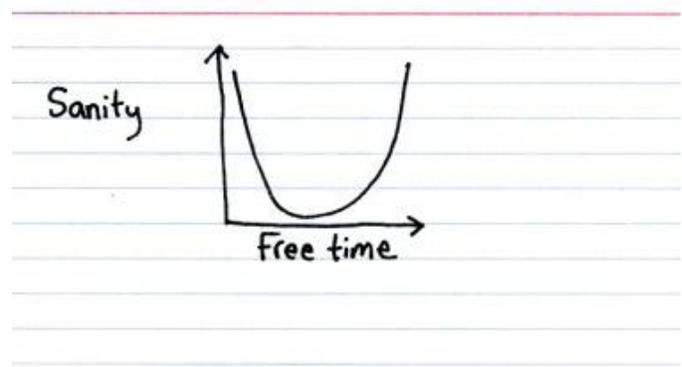
...Did not do it because they loved office supplies.

They did it because they love organizing and running profitable retail businesses. They love hiring and leasing and telling a story that converts prospects into customers. Postits are sort of irrelevant.

You shouldn't become a middle school math teacher because you love math. You should do it because you love teaching.

It's often the case that the people we surround ourselves with (and the tasks we do) have far more to do with job satisfaction and performance than the subject of our work.

MY KINGDOM FOR AN HOUR OF SILENCE



Seth Godin, Best selling author and speaker
<http://sethgodin.typepad.com/>

Courtesy of Jessica Hagy, www.ThisIsIndexed.com

Reproduced with permission of Seth Godin

CPIM in a Year - Fall 2014

Register at:

www.APICS-Houston.org

Dates:

Saturdays
See schedule below

Times:

8:00am to 12:00pm

Location:

Baker Hughes
9100 Emmott Road

Pricing

Members:

- Early: \$2,150
- Late: \$2,300

Non-Members:

- Early: \$2,350
- Late: \$2,500

Does NOT include testing fees. You do NOT have to take a class to take the exams.

Contacts:

Chuck Connelly
CFPIM, CSCP and CPA
VPEducation@APICS-Houston.org



Save MONEY by signing up for All 5 CPIM Review Modules



Since 1973, the CPIM program has educated more than 100,000 manufacturing professionals on essential terminology, concepts, and strategies related to demand management, procurement and supplier planning, material requirements planning, capacity requirements planning, sales and operations planning, master scheduling, performance measurements, supplier relationships, quality control, and continuous improvement.

APICS CPIM PROGRAM BENEFITS

- Increase your functional knowledge of production & inventory management.
- Improve efficiency of your organization's supply chain.
- Streamline operations through accurate forecasting.
- Predict outcomes more accurately.
- Maximize ROI on systems and technologies.
- Increase profitability by optimizing your organization's inventory investment.
- Enhance your credibility among peers, employers, and customers

PROGRAM SCHEDULE (Classes Fill Quickly)

	Start	End	No Class	Test
Basics of Supply Chain Management	08/23/14	10/04/14	08/31	✓
Master Planning of	11/01/14	12/06/14	11/30	✓
Detailed Scheduling and Planning	01/10/15	02/07/15		✓
Execution and Control of Operations	03/07/15	04/04/15		✓
Strategic Management of Resources	05/02/15	06/06/15	05/23	✓

Students should schedule exams between classes.

APICS EDUCATION AND CERTIFICATION

2014 COURSE SCHEDULE

Certified Supply Chain Professional (CSCP)					
Class	Schedule	Days	Time	Location	Early Reg Ends
Fall 2014 CSCP	Sept 9 to Nov 11	Saturdays	8:00am to 12:00pm	Baker	26-Aug
Certified in Production and Inventory Management (CPIM)					
Class	Schedule	Days	Time	Location	Early Reg Ends
CPIM in a Year (All Five Modules) - Save \$380 By Committing to All Five Modules					
Spring CPIM in a Year	April 29 to Jan 29	Tue and Thu	6:00pm to 9:00pm	FULL	
Fall CPIM in a Year	Aug 23 to June 06	Saturdays	8:00am to 12:00pm	Baker	8-Aug
Spring 2014 Individual CPIM Classes					
Execution & Control of Operations	April 5 to May 3	Saturdays	8:00am to 12:00pm	FULL	
Basics of Supply Chain Mgmt	April 29 to May 29	Tue and Thu	6:00pm to 9:00pm	FULL	
Detailed. Sched. & Planning	May 6 to June 3	Tue and Thu	6:00pm to 9:00pm	FULL	
Strategic Mgmt of Resources	June 7 to July 12	Saturdays	8:00am to 12:00pm	FULL	
Summer 2014 Individual CPIM Classes					
Master Planning of Resources	July 8 to July 31	Tue and Thu	6:00pm to 9:00pm	Powell	27-Jun
Execution & Control of Operations	Aug 12 to Sept 4	Tue and Thu	6:00pm to 9:00pm	Baker	26-Jul
Basics of Supply Chain Mgmt	Aug 23 to Oct 4	Saturdays	8:00am to 12:00pm	Baker	8-Aug
Fall 2014 Individual CPIM Classes					
Detailed. Sched. & Planning	Sept 9 to Oct 7	Tue and Thu	6:00pm to 9:00pm	Powell	30-Aug
Strategic Mgmt of Resources	Oct 7 to Oct 30	Tue and Thu	6:00pm to 9:00pm	Baker	20-Sep
Execution & Control of Operations	Oct 28 to Nov 20	Tue and Thu	6:00pm to 9:00pm	Powell	18-Oct
Master Planning of Resources	Nov 1 to Dec 6	Saturdays	8:00am to 12:00pm	Baker	17-Oct
Winter 2015 Individual CPIM Classes					
Strategic Mgmt of Resources	Jan 6 to Jan 29	Tue and Thu	6:00pm to 9:00pm	Powell	20-Dec
Detailed. Sched. & Planning	Jan 10 to Feb 7	Saturdays	8:00am to 12:00pm	Baker	20-Dec
Execution & Control of Operations	Mar 7 to Apr 4	Saturdays	8:00am to 12:00pm	Baker	20-Feb
Spring 2015 Individual CPIM Classes					
Strategic Mgmt of Resources	May 2 to June 6	Saturdays	8:00am to 12:00pm	Baker	18-Apr

COURSE AND EVENTS LOCATIONS

Location	Address	City	State	Zip
Baker Hughes (Beltway 8 and 290 area)	9100 Emmott Road	Houston	TX	77040
Hess Club (Galleria area)	5430 Westheimer Road	Houston	TX	77056
Norriseal (Beltway 8 and West Little York area)	11122 West Little York	Houston	TX	77041
TSP (Northwest corner of 610 Loop)	3303 West 12th St	Houston	TX	77008
Powell (Near to Hobby Airport)	8550 Mosley	Houston	TX	77075
Houston Food Bank	535 Portwall St	Houston	TX	77029

CALL FOR CONTENT!

Want to contribute content for our Horizon monthly Newsletter? We are looking for:

- Article(s) relevant to supply chain and operations, written by yourself or that you have permission to publish
- Any other ideas or suggestions about content to include in the newsletter, relevant to our members



If you are interested, please contact Marco Lopez, Editor of the Horizon, at Editor@APICS-Houston.org

WANT TO BECOME A COMPANY COORDINATOR?

Company Coordinators act as liaisons between the Houston Chapter Board of Directors and fellow employees to help their companies derive maximum benefit from its APICS membership. The Company Coordinator promotes APICS within their own Company by:

- Defining the benefits of membership participation and be a key source of information regarding APICS within your organization
- Explaining the certification programs and how achieving CPIM or CSCP certification is both professionally and personally rewarding

- Promote and distribute newsletters, seminar brochures, and other APICS literature to interested parties and key personnel
- Provide feedback to the Board of Directors regarding areas of improvement and your company's educational needs

For more information, please contact **Guillermo Lucero**,
Director of Company Coordinators,

CompanyCoordinators@APICS-Houston.org

To see the **list of current company coordinators**, go to
http://www.apics-houston.org/?page=Our_CC

QUESTIONS ABOUT EDUCATION?

Do you have questions on how the Supply Chain Education Programs can:

- Improve your company's bottom line while improving customer satisfaction
- Enhance your career and make work more fun

We can help you. Invest in training yourself and your employees.

Please contact Chuck Connelly CFPIM, CSCP, CPA
VP of Education , APICS Houston Chapter

VPEducation@APICS-Houston.org or 713-256-7500

HOW TO ADDRESS THE UNIVERSAL PROBLEM? COMMIT WITH CONFIDENCE

If I promised you lower costs, manufacturing excellence, and access to growing markets to go with it, you'd jump at that chance, wouldn't you?

Well, those are a few of the many benefits that made the world's manufacturers embrace outsourced manufacturing. While many of those benefits have been realized, serious baggage has tainted the view of this dependency on contract manufacturing and distribution.

We've more than committed to the business model of trading partner networks. Trying to connect and direct this menagerie of partners has been a challenge. This fragmentation has created blurred visibility, information latency, and extended lead times. How do you make timely, important decisions when you don't trust the data it's based on?

Our goal, our promise, is to empower those up, down, and across the supply chain to commit with confidence. By moving the trading network onto an integrated, collaborative platform, E2open empowers brand owners and their partners to see, share, and act on the best possible information in real time – when plan deviations can still be turned into cost savings or revenue opportunities.

Our cloud-based integration platform accommodates a range of information systems and data formats, providing all supply chain participants with a unified source of planning, inventory/order, and business process data. And the secret sauce is that once all of that information is one place, you can do amazing things with analytics.

This business network makes it possible to bridge multiple tiers of information silos and process gaps with a "single version of the truth" that is both accurate and actionable.

From C-level executives who typically have to rely on others to assemble information for them, to end users who juggle spreadsheets, phones, and emails, all members of the extended business network are now able to leverage this "single version of the truth" to commit with confidence in

their respective functional areas:

- CEOs can more confidently commit to raising revenue, cutting costs, and managing assets to increase shareholder value.
- CFOs can more confidently commit to delivering on financial guidance.
- CSCOs can more confidently commit to making the S&OP plan.
- CPOs can more confidently commit to ensuring supply continuity in an uncertain world.
- CIOs can more confidently commit to meeting the needs of business users and trading partners with better information.

Planners and product line owners can more confidently commit to timely "course corrections" to meet customer demands in the face of constant change.

Customer service representatives can more confidently commit to perfect orders.

Trading partners – suppliers and customers – can more confidently collaborate and commit to changing plans and orders.

Up, down, and across the supply chain, you can commit with confidence, too. And yes, I can hear you: "This sounds like motherhood and apple pie. But how do you make it real?"

Sean Rollings, Vice President, Product Marketing, E2open
Contact at: blogs@e2open.com

Website: <http://www.e2open.com/blog>

Reproduced with permission of Sean Rollings

APICS DICTIONARY DEFINITION

Flow Process Chart

A graphic, symbolic representation of the work performed, or to be performed, on a product as it passes through some or all of the stages of a process. Typically, the information included in the chart is quantity, distance moved, type of work done (by symbol with explanation), and equipment used. Work times may also be included.

APICS Houston Chapter

2014 CERTIFIED SUPPLY CHAIN PROFESSIONAL

Register Now for Fall Session— Early Registration Deadline Ends August 26

The APICS CSCP designation is for professionals who are interested in increasing their knowledge and expertise in the field of global supply chain management. This program is ideal for individuals and organizations that are:

- Interested in more depth of knowledge and understanding in the areas of supplier and customer relations, international trade, the use of information technology to enable the supply chain, and physical logistics
- Facilitating operational and financial improvement both within and across supply chain functions
- Interested in increasing knowledge and expertise in the field of global supply chain management.
- Mastering the tools to effectively manage global supply chain activities that involve suppliers, plans, distributors and customers located around the world
- Implementing new or modifying their existing Enterprise Resources Planning (ERP) system(s)
- Desiring to create a common standard of understanding, vocabulary, best practices and frameworks within your company to address your supply chain challenges and seize opportunities
- Best practices in the day to day functions of supply chain professionals

The CSCP learning system includes:

- Approximately 1,000 pages of printed learning materials
- Interactive Web based study tools:
- Pre and Post tests
- Module specific tests
- Glossary, E-flashcards and Information Center



Candidates must apply for eligibility in order to register and take the exam. Eligibility requirements for the APICS CSCP designation are listed below. A candidate must pass just the ONE exam. Please consult www.APICS.org for additional information.

- APICS CPIM, CFPIM, or CIRM, and C.P.M. designations plus two years of related business experience, or
- Bachelor's degree or equivalent plus two years of related business experience, or

Class	Schedule	Days	Time	Location	Early Registration Ends
Fall 2014 CSCP	Sept 6 to Nov 15 *	Saturdays	8:00am to 12:00pm	Houston Food Bank	08/26/14
Winter 2015 CSCP	Jan 13 to April 7	Tuesdays	6:00pm to 9:00pm	Baker Hughes	01/05/15
Spring 2015 CSCP	March 21 to May 30 **	Saturdays	8:00am to 12:00pm	TBD	03/06/15

* No class on November 8

** No class on May 23 for Memorial Day

Class	Member Price		Non-Member Price	
	Early	Late	Early	Late
CSCP	\$1,940	\$2,040	\$2,140	\$2,240

- Contact Chuck Connelly CFPIM, CSCP, CPA at VPEducation@APICS-Houston.org for more information
- For more information on our programs or to register, please visit our website at www.APICS-Houston.org

THE TYRANNY OF LOWEST PRICE BY SETH GODIN

Lowering the price is a one-directional, single-axis choice. Either it's cheaper or it's not.

At first, the process of lowering your price involves smart efficiencies. It forces hard choices that lead to better outcomes.

Over time, though, in a competitive market, the quest for the bottom leads to brutality. The brutality of harming your suppliers, the brutality of compromising your morals and your mission. Someone else is always willing to go a penny lower than you are, and to compete, your choices get ever more limited.

The problem with the race to the bottom is that you might win. Even worse, you might come in second.

To cut the price a dollar on that ebook or ten dollars on that plane ticket (discounts that few, in the absence of comparison, would notice very much) you have to slash the way things are edited, or people are trained or safety is ensured. You have to scrimp on the culture, on how people

are treated. You have to be willing to be less caring or more draconian than the other guy. Every great brand (even those with low prices) is known for something other than how cheap they are.

Henry Ford earned his early success by using the ideas of mass production and interchangeable parts in a magnificent race to the most efficient car manufacturing system ever. But then, he and his team learned that people didn't actually want the cheapest car. They wanted a car they could be proud of, they wanted a car that was a bit safer, a bit more stylish, a car built by people who earned a wage that made them contributors to the community.

In the long run, to be the cheapest is a refuge for people who don't have the flair to design something worth paying for, who don't have the guts to point to their product or their service and say, "this isn't the cheapest, but it's worth it."

Seth Godin, Best selling author and speaker
<http://sethgodin.typepad.com/>

Reproduced with permission of Seth Godin

PROPOSE A SPEAKER OR PLANT TOUR!

Do you want to propose a speaker for our Professional Development Meetings (PDMs)?

Although topics related to supply chain and operations management are preferred, recommended speakers could cover any kind of subject, as long as is relevant to the development of our members.

Do you want to propose a plant tour?

If you have access or know someone with access to a plant, facility, or similar, that might help us understand better how supply chain works, please let us know! We are currently planning plant tours and are interested in your ideas, comments and suggestions!

Please contact **Catherine Brown**, our Director of Programs, at Programs@APICs-Houston.org

DISCOVER APICS MEMBERSHIP BENEFITS

The APICS Houston Chapter kindly invites you to become an APICS member, joining thousands of professionals world wide. By joining APICS, you obtain the following benefits:

- Access the extensive APICS body of knowledge—the most expert, current, and relevant education in operations and supply chain management.
- Connect to an impressive community of nearly 40,000 members around the globe—all committed to building excellence in operations management.

APICS offers a broad range of memberships: **Professional, International e-membership, Joint international, Academic professional.**

For more details, Contact **Tom Chambers**, VP of Membership
VPMembership@APICs-Houston.org

APICS HOUSTON CHAPTER

BOARD OF DIRECTORS 2012 – 2013

The Houston APICS Chapter Board is a dedicated team of people that work to provide relevant events and services to chapter members. Your **feedback is essential** for continuous improvement, so please contact us with comments, suggestions and improvement ideas.

Position	Name	Contact
President	Eddie Whitfield, CPIM, CIRM, CSCP, MBA, PE	President@APICS-Houston.org
Secretary	Reid Garrett	Secretary@APICS-Houston.org
Treasurer	Steve Hasson, MBA, CSCP	Treasurer@APICS-Houston.org
Ex Officio President	Tish Patel	Ex-Officio@APICS-Houston.org
VP of Education	Chuck Connelly, CFPIM, CIRM, CSCP, CPA	VPprofessionaldevelopment@APICS-Houston.org
VP of Student Activities	Gozde Capar, MS, CSCP, CSSBB	VPStudentActivities@APICS-Houston.org
VP of Membership	Tom Chambers, MBA, CSCP	Membership@APICS-Houston.org
VP of Marketing	Duane Chandler, CPIM, CSCP	VPmarketing@APICS-Houston.org
VP of Communications	Santiago Velasquez	VPCommunications@APICS-Houston.org
Director of Education	Michael Cole CPIM, CSCP	Education@APICS-Houston.org
Director at Large	Chris Agner	Co-CompanyCoordinators@APICS-Houston.org
Director of Seminars	Mauricio Hernandez, MBA, CPIM, CSCP	Seminars@APICS-Houston.org
Director of Job Bank	Marisa McNevin	JobBank@APICS-Houston.org
Director of Horizon	Marco Lopez	Editor@APICS-Houston.org
Director of CCs	Guillermo Lucero / Nadine Parker	CompanyCoordinators@APICS-Houston.org
Director of Programs	Catherine Brown	Programs@APICS-Houston.org

LIST OF COMPANY COORDINATORS

Below, a list of the company coordinators that are currently working with the APICS Houston Chapter. Please contact your **local company coordinator** for more information about Chapter services and events.

Company Cordinator	Company
Chris Agner	National Oilwell Varco - Westchase
Arnold Aguilar	Aker Solutions
Rob Bytheway	Baker Hughes
Peter Cayea	Cameron International
Prasanth Chakra	Bayer
Duane Chandler	Weatherford International
Lana Forrest	Baker Hughes
Bob Gardner	Pathfinder/Schlumberger
Chongkol Graunke	Akzo Nobel Functional Chemicals
Steven Hasson	TSP
Chuck Hayes	Cameron - Flow Control
Kevin Helm	Oceaneering
Mauricio Hernandez	Shell
Mark Hoffman	Cameron Drilling Systems

Company Cordinator	Company
Jeff Hoke	Wyman Gordon
Ken Jamison	Weatherford - Gulf Bank
Austin Klein	National Oilwell Varco - Sugarland
Ed Khundmiri	American Frac Fluids
Guillermo Lucero	Shell
Larry McClellan	Schlumberger - HPC
Nadine Parker	Chevron
Giovanni Ramirez	National Oilwell Varco - Galena Park
Angelina Rodriguez	National Oilwell Varco - Air Center
Mary Timko	Schlumberger - SPC
Amy Walla	Hewlett-Packard
Nick Webster	National Coupling Company
Carmen Winkler	BHP Billinton
Tony Xu	Foxconn

A HOLISTIC APPROACH TO LEAN

BY MIKE MICKLEWRIGHT

Many years ago (now I'm sounding a bit old), I worked with a client who had a big boss. That big boss believed he could read big books about lean and implement lean his way. His way was to read about 5S, or one-piece flow, or quality, or root cause analysis, and apply the big tools as he saw fit. He never saw the necessity of integrating the big departments within the company, but rather kept them separate because the other big department heads and he didn't get along.

This big company had a big mission statement, but it was a pretend mission statement because it had no cultural elements or business practices to support it. Furthermore, the big boss and the department heads treated their employees badly. This company, although it survived, was far less successful than it could have been.

"Holistic" is defined as "emphasizing the importance of the whole and the interdependence of its parts." Add this definition to the commonly accepted definition of lean, and you get something like this: "The systematic approach to identifying and eliminating waste, through continuous improvement by flowing the product at the pull of the customer, in pursuit of perfection, and developing systems that emphasize the importance of the whole system, the interdependence of the processes, and all levels of its people."

Sometimes, after being asked to present another 5S class and implementation session, I just want to scream, "People, lean is not just a set of tools. It is so much more than that! It is about principles! It is about building a culture of continuous improvement! It is about respect and involvement of all people! It is about growing leaders and, yes, it is even about your leadership style and management techniques!"

And then I mute myself because I realize my business would be far less than it is because most people want to focus on the tools. However, that doesn't mean I can't try to convince people of another, "righter" approach.

With a holistic approach to lean, "interdependence of its parts" relates to:

- Ensuring that all functional departments act as one system. The No. 1 killer of being process focused is the departmental structure, especially one that has a long history of strong departmental leaders who are out to ensure they look good, others look bad, and they get their bonus or promotion at the expense of others. The No. 1 impediment to ridding a company of the root causes to problems is the departmental structure. Bad systems and improper organizational structures lead to internally competitive practices and anti-lean tendencies
- The relationship and integration between a company's mission, principles, culture, practices, and tools. The tools of continuous improvement and lean mean nothing unless they are linked to and synchronized with the mission, culture, and practices first. This is why the hoshin kanri approach, which uses the collective wisdom of all employees to set strategic goals, is so important.
- The relationship between management and employees. Every lean tool has a very strong "respect for the people" element. Is it possible for managers to demand the use of lean tools while somehow negating the "respect" part? Yes, and they do, but the gains from using the tools in that way are never sustained. Management's role in a holistic approach to lean is one of teacher and challenger. Holistically, we are all interested in growing the company, improving the company, bettering the company, and improving the communities in which the company operates. To do so, management understands that it must grow leaders in the company by setting expectations, and allowing employees to think, experiment, fail, and learn from their failures.
- Establishing daily accountability meetings or huddles
- Establishing visual management and controls
- Ensuring that all problems are visually displayed, not hidden, including management system problems
- Focusing and taking the time, per a set schedule, to watch the process in action, including all office processes (going to the gemba),
- Identifying required time spent on continuous improvement and ensuring adherence to the designed process through leader standard work

A holistic approach to lean also means developing a continuous improvement or lean culture by:

Avoid the tool approach to lean. The improvements made, if any, will never be sustained. Approach lean holistically. Approach it as a system of interdependent parts and people who must work together in order to achieve true lasting success.

Mike Micklewright is the founder of QualityQuest Inc., and a senior consultant for Kaizen Institute. Contact at mike@mikemick.com.

This article, written by Mike Micklewright, first appeared in Quality Digest Daily on February 24, 2014. Reproduced with permission of Mike Micklewright



Scan this code with your SmartPhone To Visit Our Website



Presorted Standard Mail U. S. Postage Paid Houston, TX Permit #2274

Return Address: 11152 Westheimer Road #872 Houston, TX 77042-3208



We're on the Web! www.APICS-Houston.org

TOP MANAGEMENT NIGHT, JUNE 18 FEATURING JIM "MATTRESS MACK" MCINGVALE

Please join us for this special event where we recognize the outstanding contributions of companies, volunteers, and members such as:

- Company of the Year
Volunteer of the Year
Education Partner of the Year
Instructor of the Year
Certified in Production and Inventory Management (CPIM)
Certified Supply Chain Professional (CSCP)

AGENDA

5:00 to 6:00pm—Registration, Drinks, and Networking
6:00 to 7:00pm—Dinner and Awards
7:00 to 8:00pm—"Discovering the Supply Chain at Gallery Furniture", Presentation by Jim "Mattress Mac" McIngvale
8:00 to 8:30pm—Wrap Up and Induction of New Officers
8:30 pm— End

About our Speaker

Jim "Mattress Mack" McIngvale is a Texas-grown phenomenon who knows how to "Save You Money, TODAY!" In 1981, Mack and his wife Linda started Gallery Furniture with five thousand dollars and a dream. Mack began television advertising early on and with his motto of "Early to bed, early to rise, work like heck and advertise", he quickly became a household name.

In 2009, Gallery Furniture opened a second store on Post Oak Blvd in the Houston Galleria area. This proved to be a blessing as Mack, Linda, and the entire Gallery Furniture family faced a horrific fire on May 21, 2009 at the flagship I-45 store location which destroyed the warehouse.

The triumph of Gallery Furniture is mostly attributed to Mack's "do-whatever-it-takes" approach to pleasing the customer. Mack's strong work ethic is matched by his philanthropy and exceeded only by the commitment he has to his family.

Where: Hess Club When: June 18th Dinner: 6:00 pm
Presentation: 7:00 pm How Much: Members: \$25.00 Non-Members: \$30.00 APICS Student Chapter Members: \$10.00

Don't miss this event!