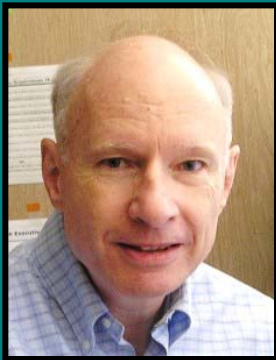


November 2008



JOSEPH W. (Bill )  
KERNODLE

**PDM Location Change**

Volvo Corp  
Communications  
Center, 7900 National  
Service Rd,  
Greensboro, NC

For more information  
including rates, times  
and directions go to  
[www.triadapics.org](http://www.triadapics.org).

Remember to register  
on-line before 7:00 PM  
on Wednesday before  
the meeting for best  
rate.

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## November Professional Development Meeting (PDM) Program

Tuesday, November 11<sup>th</sup> at the Volvo Corp Communications Center in Greensboro

### BalancedFlow™ Supply Chain Synchronization

Joseph W. (Bill) Kernodle, Site Director, Clemson Apparel Research

#### THE DIFFERENCE

**Traditional Supply Chains:** Supply chain **participants** seek local optimization constrained by traditional policies, systems and behaviors resulting in limited customer order fulfillment, costly order expediting and low profitability.

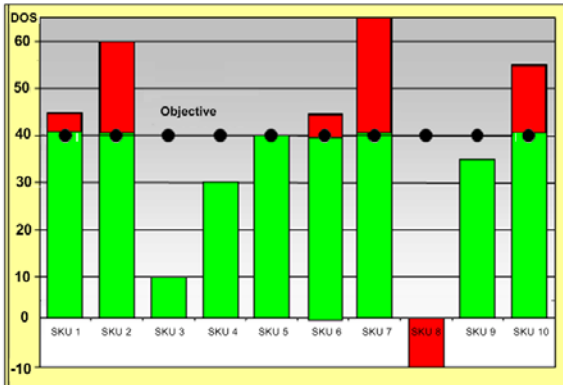
**BalancedFlow™ Supply Chains:** Supply chain **partners** work together globally using advanced technologies and best management practices to maximize each partner's profitability through customer focused replenishment, minimum inventories, and minimum costs.

#### THE CONCEPT

With BalancedFlow you will order/make/move the right products at the right time. It replaces traditional ordering and scheduling with synchronized real-time constraints-based ordering and scheduling for each supply chain partner. Traditional systems use reorder point replenishment and large batch manufacturing which generate stock outs and excess inventories. In contrast BalancedFlow uses total inventory asset visibility and days-of-supply logic to prioritize workflow across a single company or entire supply network to achieve the highest possible level of customer satisfaction. It minimizes replenishment lead time variations, demand variations, and the "bullwhip effect" (successive waves of inventory excesses and shortages) that exist in all supply chains. BalancedFlow integrates best practices from Constraints Management, Lean Enterprise, and Six Sigma for local or supply network wide optimization. The BalancedFlow staff developed this technology for which a patent is pending.

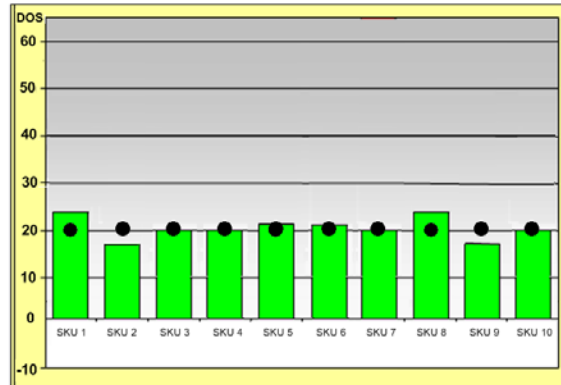
Program information continues on page 2 & 3

## BEFORE



## Excesses, Stock-outs, &amp; Expedites

## AFTER



## Lower, Balanced Inventories

## BENEFITS

**Support of Supply Chain Partnerships:** Provides an effective structure for supply chain partnerships that cross organizational boundaries and enable global optimization.

**Support of TOC, Lean, and Six Sigma Make and Move Transformations:** Fully compliments the implementation of best practices in manufacturing and shipping and helps focus these efforts for the fastest and greatest overall return on investment.

**Reduction in Stock Outs:** Virtually eliminates stock outs of replenishable items, thereby increasing revenue and customer satisfaction.

**Inventory Cost Reduction:** Balances and minimizes inventories (typically 50 to 90 percent reduction), thereby reducing obsolescence costs, markdowns, inventory carrying costs, and interest expenses. Frees cash locked in long-supply items and turns inventories 4-10 times faster.

**Operational Cost Reduction:** Eliminates expedite manpower and shipping costs, reduces resources required for ordering, scheduling, and shipping and reduces changeover and capacity fluctuation costs.

**Cash Flow Optimization:** Optimizes cash flow efficiently by enabling replenishment managers and schedulers to globally adjust replenishment and scheduling orders while maintaining inventory balance at acceptable risks of stock outs.

**Fast-turn Manufacturing:** Effectively allocates production resources to eliminate expediting, optimizes production batch sizes, and automatically executes the supply chain partners' strategy for accommodating seasonal and event-driven demand variations.

**Flexible Manufacturing:** Ensures all components and raw materials are available for release to flexible manufacturing.

**Balanced Distribution:** Allocates available inventory based on days-of-supply need to optimize in-stock positions for all partners and customers.

**Inventory Visibility:** Serves as the communications link for total inventory visibility between all IT systems within the extended SC because all input and output is by text files.

**Quick Payback:** Payback is almost immediate when partners are involved because they realize they can cut inventories significantly simply by working together differently. Stock outs across the supply chain are reduced significantly for replenishable products one “lead time” after implementation and are virtually eliminated in three to five cycles. Inventories may be reduced significantly once stock outs are no longer a risk.

#### **EASY TO ADOPT**

**Fast Installation:** Because the software interface is simple, usually BalancedFlow can be set up for one company in one day. Extending the application laterally to additional products, upstream to suppliers, and downstream to customers is a simple repetition of the same steps.

**Simple Operation:** After setup the system only requires a forecast and current inventory status from legacy systems.

**Low Risk:** Risk is virtually non-existent because no legacy systems are replaced. Partners may ignore the output of BalancedFlow and return to former practices at any time.

**Few Resources Required:** Ordering, scheduling, and customer service resource requirements are reduced by 50 to 80 percent. Operating the system involves few people (normally each partner’s customer service representatives, schedulers, and inventory purchasers). The initial learning curve on a pilot project is very short.

#### **PROVEN SUCCESS**

BalancedFlow began as a project funded by the Department of Defense that improved operations at the Marine Corps Recruit Training Depot at Parris Island. In less than one year BalancedFlow virtually eliminated a 16% stock outage while reducing inventories by over 50%. More recently the U.S. Army used it to synchronize manufacturing and distribution of new combat uniforms for troops deploying to Iraq and Afghanistan. This project required about one-fourth of the standard new product manufacturing and distribution time and it saved millions in inventory investment. BalancedFlow is used by a small number of commercial firms to develop a base of successful early adopters and is now available for full scale commercial application.

#### **BIOGRAPHICAL INFORMATION**

Bill holds BS and MS degrees in Textile Technology from North Carolina State University, a MBA with a concentration in logistics from Babson College, and he is also a graduate of the Industrial College of the Armed Forces.

He was commissioned in the US Army Quartermaster Corps in 1968. He served in key logistical positions in combat units around the world and in five key clothing and textile research and procurement assignments including Commander, U.S. Army Natick Research, Development, and Engineering Center, and Director, Clothing and Textiles Directorate, Defense Personnel Support Center.

He was Director of Operations and Planning for Burlington Menswear (a division of Burlington Industries) for 3 years before joining Clemson University. Since 1995 he has been Site Director, Clemson Apparel Research with responsibilities for running a model apparel factory and locating, developing, integrating, and demonstrating the world’s most advanced manufacturing and supply chain technologies and management practices.

In 2007 he created a spin-off software and consulting company based on very successful advanced supply chain management concepts developed for the military over the previous 12 years. He continues to work for Clemson University on a part time basis.

## November Seminar

Tuesday, November 11<sup>th</sup> at the Volvo Corp Communications Center in Greensboro

# Taming Supply Variability with The Dice Game - A hands-on learning simulation dealing with Supply Variability

Joseph W. (Bill) Kernodle, Site Director, Clemson Apparel Research

All organizations and individuals involved in the Supply Chain continually work to overcome the two challenges of bringing customer demand variation and replenishment or supplier supply variation into control because they converge from opposite directions on every process within the supply chains. Supply Variability is one of the major challenges facing all people involved in scheduling operations and ordering replenishment products and “The Dice Game” addresses this variability. These challenges along with secondary challenges such as item complexity, bad inventory data, and the fact that all standard business processes and systems were designed for local optimization make supply chain management extremely challenging. Participate in this hands-on learning simulator to better understand the causes and how to address them.

Our facilitator, Bill Kernodle, holds BS and MS degrees in Textile Technology from North Carolina State University, a MBA with a concentration in logistics from Babson College, and he is also a graduate of the Industrial College of the Armed Forces. He was commissioned in the US Army Quartermaster Corps in 1968. Bill served in key logistical positions in combat units around the world and in five key clothing and textile research and procurement assignments. He was Director of Operations and Planning for Burlington Menswear (a division of Burlington Industries) for 3 years before joining Clemson University. Since 1995 Bill has been Site Director, Clemson Apparel Research with responsibilities for running a model apparel factory and locating, developing, integrating, and demonstrating the world’s most advanced manufacturing and supply chain technologies and management practices.

- WHAT:** A Piedmont Triad of APICS Educational Workshop to assist you in honing your operational skills in dealing with Demand Variability.
- WHEN:** Tuesday, September 9, 2008 from 11:30 am to 4:30 pm  
Deli Buffet Lunch starts at 11:45 am  
Workshop starts at 12:30 pm
- WHERE:** The Volvo Communications Center located at 7900 National Service Road just off of I-40 at exit 210.
- HOW MUCH:** Members: \$129.00 per person  
Member teams of 3 or more from the same company: \$119.00 per person  
Full-time students and BOD staff: \$99.00 per person  
Non-members: \$159.00 per person
- HOW:** For individuals: Go to the PTC website at [www.triadapics.org](http://www.triadapics.org) click on the Calendar of Events and under the sign-up column click on Seminars. Then on the next page click on Sign-up next to the title of this workshop “The Beer Game”.
- For teams: Contact Dave Lehman at [yp\\_education@triadapics.org](mailto:yp_education@triadapics.org) or by phone at 336-681-8703.

## APICS Districts

APICS' more than 250 local chapters are divided into 9 geographic districts that span North America. Each district elects a District Director and a District Manager through a special nomination committee made up of chapter presidents with the districts.

The district director's primary function is to be a member of the APICS Board of Directors. As a member of the Board of Directors; the district director provides recommendations and philosophical direction during the development of policies, procedures, and educational offerings to ensure they enhance the professionalism of operating management.

The district manager has a volunteer district support staff to assist with the development and implementation of chapter management training and two-way communication between APICS corporate and the local chapter. These individuals serve on the District Manager Committee and provide support and guidance to enable chapters to meet the minimum standards in promoting the objectives of the Association.

**Canadian District** - [apicscanadian.org](http://apicscanadian.org) or [apicscanada.org](http://apicscanada.org)

Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec, Saskatchewan

**Great Lakes District** - [apicsgreatlakes.org](http://apicsgreatlakes.org)

Illinois, Indiana, Michigan, Wisconsin

**Heartland District** - [apicsheartland.org](http://apicsheartland.org)

Iowa, Kansas, Minnesota, Missouri, North Dakota, Nebraska, South Dakota

**Mid-Atlantic District** - [apicsmidatlantic.org](http://apicsmidatlantic.org)

Delaware, Maryland, Ohio, Pennsylvania, Southern New Jersey, Virginia, West Virginia, Washington, D.C.

**Northeast District** - [apicsnortheast.org](http://apicsnortheast.org)

Connecticut, Maine, Massachusetts, New Hampshire, New York, Northern New Jersey, Rhode Island, Vermont

**Pacific Western District** - [region10apics.org](http://region10apics.org)

Alaska, Northern California, Hawaii, Idaho, Montana, Northern Nevada, Oregon, Utah, Washington, Wyoming

**Southeast District** - [apicssoutheast.org](http://apicssoutheast.org)

Alabama, Florida, Georgia, Kentucky, Eastern Louisiana, Mississippi, North Carolina, Puerto Rico, SE Virginia, SE Indiana, South Carolina, Tennessee

**Southwest District** - [apicssouthwest.org](http://apicssouthwest.org)

Arizona, Southern California, Mexico, Southern Nevada

**Terra Grande District** - [apicsterragrande.org](http://apicsterragrande.org)

Arkansas, Colorado, Western Louisiana, New Mexico, Mexico, Oklahoma, Texas

The Piedmont Triad Chapter is proud to represent one of 51 chapters in the Southeast District. The Southeast District Manager is our very own Kc Kasserman who is the Materials Manager at Ingersoll Rand in Mocksville North Carolina. To learn more about your Southeast District, go to the website at <http://www.apicssoutheast.org/>.

**Upcoming Southeast District Professional Development Meetings:**

**February 20-21, 2008:** Jacksonville, FL

**June 5-6, 2009:** Louisville, KY

**October 23-24, 2009:** Charleston, SC

## Excellent in Leadership

In 1994, The Piedmont Triad Chapter established the “*Excellent in Leadership*” nomination and award program. Since that time the chapter has received and had the opportunity and pleasure of presenting thirty-four “*Excellence in Leadership*” awards. We are counting on our members to help us continue to search and carry on this tradition to those who model “*Excellence in Leadership*”. If you know of someone who exhibits excellent leadership characteristics, you may submit their name for consideration.

Those nominated should be persons who significantly contribute to the successful operation of their company, their division, their department or their work team. They should be individuals who inspire others to excel in what they do.

To nominate someone for recognition in the “*Excellence in Leadership*” program, please consider the following: nominations must be received by March 1<sup>st</sup>, to be considered. Nominations must be submitted as a single page typed letter suitable for framing – preferably on company letterhead. Leave ¼” margin all around to allow for framing and include 2 blank “second sheets” of matching stationery to use in award preparation. Nominations must state the reasons this person should be considered for the “*Excellence in Leadership*” recognition.

Nominations must be mailed (not faxed) to **The Piedmont Triad Chapter** at PO Box 19432, Greensboro, NC, 27109-9432 and early enough to be received by the deadline, March 1<sup>st</sup>, 2009. It would be helpful if you would protect the nominating letter and extra sheets so they are not folded or damaged in the mail. If you have questions, you can e-mail them to Barbara Swann at [vp\\_chapterdevelopment@triadapics.org](mailto:vp_chapterdevelopment@triadapics.org).

The Chapter Board of Directors will present the awards during the chapter meeting held on April 14, 2009 at the Volvo Communications Center in Greensboro.

## Leadership Thought

Ever heard of Grace Murray Hopper? She was a brilliant scientist, Rear Admiral in the US Navy, and truly a national technology pioneer. Grace was awarded The National Medal of Technology as well as a host of other awards and distinctions in her lifetime. She is sighted as having popularized the term “computer bug.” Working on a computer at Harvard in the “early days,” her associates discovered a moth stuck in a relay that slowed the technology and she commented that they were “debugging” the system. Most of us have heard the story, but few know the name Grace Hopper. Another popular phrase often attributed to Hopper was “It’s easier to ask forgiveness than it is to get permission.”

Today, we would probably call someone like Grace a computer geek. And when was the last time anyone asked a geek for advice on leadership? Pardon me for generalizing, but aren’t geeks more about numbers and screens and cool techno stuff? I don’t remember any character in “Revenge of the Nerds” who was known for possessing remarkable people skills.

And that’s why I find such genius in a short quotation also attributed to Grace Hopper –

“You manage things. You lead people.”

-Grace Murray Hopper (1906 – 1992)

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PO Box 19432  
Greensboro, NC 27419-9432

We're on the Web!  
See us at:  
[www.triadapics.org](http://www.triadapics.org)

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- ⇒ Back to Basics with Inventory Workshop Series
- ⇒ Custom Design Courses, Programs and Workshops

For more information, go to the chapter website at [www.triadapics.org](http://www.triadapics.org) or contact Dave Lehman at 336.854.0908 or by email at [vp\\_education@triadapics.com](mailto:vp_education@triadapics.com).

## Newsletter Options

If you would like a copy of the chapter newsletter, you can easily download from the chapter website at [www.triadapics.org](http://www.triadapics.org). If you would like to be added to the chapter's electronic e-mail distribution list, you can register directly from the chapter website at [www.triadapics.org](http://www.triadapics.org) or e-mail Barbara Swann at [vp\\_chapterdevelopment@triadapics.org](mailto:vp_chapterdevelopment@triadapics.org) with your request.

## New Location For Monthly Professional Development

Volvo Corp Communications Center  
7900 National Service Rd  
Greensboro, NC 27409

## Share your News And Views with your friends and colleagues in:

- ❖ Operations Management
  - ❖ Planning
  - ❖ Production Control
  - ❖ Inventory Control
  - ❖ Logistics
- ❖ Information Systems
  - ❖ Other