

WORKSHOP LOGISTICS



Association for Manufacturing Excellence



DATE/AGENDA

August 10, 2006

8:00 am Registration

8:30 am

- ◆ Elements of Lean Purchasing
- ◆ Definition of Lean suppliers
- ◆ Cost drivers within the system and locating opportunities
- ◆ Manufacturing Velocity: Lean measures, opportunities
- ◆ Impact of inventories
- ◆ The cost of carrying inventories/cost of lead times.
- ◆ How to cut supplier lead times by 70%
- ◆ Three and a half point system for evaluating suppliers and setting goals
- ◆ Supplier managed inventories vs. supplier managed deliveries
- ◆ Consigned inventories
- ◆ Supplier quality: What are you asking for and what are you getting?

1:00 pm

- ◆ Price of Non-conformance (PONC)ISO vs. Baldrige vs. Shingo. Who's got it right?
- ◆ Supplier certification that works.
- ◆ Eight point plan that affects future quality Lot sizing and minimum orders
- ◆ What's in a price and common practices that drive up prices
- ◆ What a good price looks like (reverse pricing and affordability)
- ◆ Cost accounting issues: Variance accounting and other self-inflicted wounds
- ◆ Compressed sourcing
- ◆ The power of information

August 11, 2006

8:30 am

- ◆ Sourcing strategies
- ◆ Lean and the foreign supplier
- ◆ The China card
- ◆ Requirements contracts vs. blanket orders
- ◆ Use of distributors and Lean MRO purchases
- ◆ What's a small company to do?
- ◆ Software systems that do work/ don't work. What parts to use.
- ◆ Supply Chain Management – a costed Lean Process, critical path management
- ◆ Measuring purchasing – two new stepped approaches
- ◆ Purchasing's new role
- ◆ How some companies have implemented Lean Purchasing

12:00 pm Close

Join Us For this Day and a Half Event

Lean Purchasing

August 10-11, 2006

How would you like to have suppliers with five- to ten-day delivery lead times on made-to-print items? Others will deliver overnight. They ship unquestionable quality. How would finance feel about 40 to 70 raw material inventory turns a year and put \$10million in the bank through smaller investment in inventories? Lower supplier prices based on lower costs.

You have made significant improvements in your operations. Are you ready to expand your lean processes into the supply base? Where do you start and how deep into the supply chain do you go? What new measures of requirements and success should you use? What is the process and what resources are required? What are the advantages and the payback? What tools do you need? What must your organization do to take advantage of these new and highly profitable activities?

We will address these questions and more in a one and a half day AME program on **LEAN** Purchasing. Theory is backed up by on-the-job examples and real results. It is recommended that general management and finance personnel also attend this workshop.

What is LEAN Purchasing and how do you integrate it into your lean

enterprise? **LEAN** Purchasing can be integrated into the current operations of the company, but it will require some internal changes including new measures of the purchasing function in order to realize the full potential and profit contribution of lean. How you define **LEAN** defines your supply chain and its results.

Identifying and quantifying the cost drivers in the supply chain. Money is hidden in inventories, time, and inappropriate quality throughout the process. You will come to understand your coping mechanism. The true cost to carry inventories will astonish the most liberal cost accountant. The price of non-conforming materials can run 7 to 15% of the cost to manufacture (25% in capital equipment). Cost improvements in these areas alone can increase profit margins by 20 to 30%. Understand and use the cost to your company of supplier lead times.

New measurements for purchasing and suppliers. Price, delivery, incoming quality, and cost reduction are the wrong measures if the company really wants improved business results. You will learn new measures that contribute directly to profit.

How to improve on-time (when you need it) deliveries by 60% and more. Acquire new tools that improve delivery and have nothing to do with expediting or increased inventories. How to use supplier managed deliveries. What do missed deliveries cost your company? Put a dollar value on lead time.

Measures of quality and supplier certification will change. You will learn the tools needed to assure that purchased material quality will meet your needs in the future and at significantly lower costs. Our eight-point approach to supplier quality has saved companies millions in execution costs and results.

Look at results from companies who have implemented Lean Purchasing and their business results.

One company reduced supplier lead times by 70% in 90 days. Another reduced WIP inventory by 25% while increasing throughput by 700%. Still, another reduced manufacturing cycle time from 60 days to 5 days and sold a warehouse. We will show you how they did it. This is a new way of conducting the business of purchasing.

LEAN PURCHASING

AUGUST 10-11, 2006

Who should attend:

- Purchasing and Supply Chain professionals
- Materials managers
- Finance and cost personnel
- Manufacturing Managers
- Product and Supplier Quality personnel

The most frequent comment we get is: "I wish my boss was here!"

Seminar Leader

Michael Harding has been on AME's Northeast region board of directors for 17 years. He has many years of purchasing management experience with Texas Instruments, GE, RCA, TRW, and Digital Equipment. He holds degrees in law, business, and a Masters in Purchasing. He has authored three books on purchasing. Mr. Harding has been a purchasing and supply chain management consultant for the past 15 years with clients in Asia, North and South America, and Europe.

10 C.P.M. hours will be awarded to attendees.

Location & Sleeping Rooms:

Sheraton Boston Hotel
39 Dalton Street
Boston, MA 02199
PH: (617) 236-2000

*Ask for the AME special room rate of \$165.00 (plux tax), cut-off date for discount is July 10, 2006

Registration—Lean Purchasing, August 10-11, 2006

Make check (U.S. Funds) payable to:

Association for Manufacturing Excellence

- Check Enclosed
 AMEX
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Registration Fees:

AME Member \$ 845.00

*APICS Member \$845.00

Non-member \$ 995.00 (includes 1- year membership to AME)

If you are an APICS member complete this form and fax it to 224-232-5981. Do not register for this event on the AME website.

For AME Internal Use: NE060810

Send payment to:

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(224) 232-5980

Fax (224) 232-5981

Register online at: www.ame.org

Cancellation Policy: Enrollment fee less \$75 non-refundable registration charge) will be refunded up to one week before the event. Substitutions may be made anytime prior to the start of the workshop.

AME's Mission: To inspire a commitment to global enterprise excellence through shared learning.