

# Forum APICS Workshops Wrap-Up

By Mr. Irv Varkonyi

This month's Professional Development Column features a Wrap Up of the APICS Workshops that were presented at the Forum in Reno/Tahoe. Thank you to the DC Chapter of APICS, #127 for coordinating the Workshops!

## APICS WORKSHOP #1

### Satisfying your Customer's Supply Requirements

Patrick Greer

*Globewise Logistics Adjunct Professor  
St. Louis University Consortium for  
Supply Chain Management*

#### SIMULATION SOFTWARE:

A powerful module comprised of interconnected parts [i.e., sales analysis, forecasting, purchase planning, pricing simulation and PSI—Purchase/Sales/Inventory]. Together, these parts provide detailed information required to correctly analyze sales and other data to plan purchasing and distribution requirements.

Distribution Requirements Planning (DRP) plays a key role in the Joint Deployment and Distribution Enterprise (JDDE) by aligning the needs of the warfighter customer with joint logistician's capabilities. It is the segment of the supply chain planning and control process that links production to outbound demand. DRP utilizes specific quantitative formulae to offer clear forecasts for demand, based on qualitative and quantitative methods. Consequently, scheduling and planning are critical op-

"Managing the DRP process will severely test the capabilities of the JDDE. The warfighter as customer is king but greater understanding and collaboration between the customer and suppliers will improve customer service to much greater levels than exist today."

erations that require collaboration among internal and external stakeholders

Some key issues were addressed in this Workshop: 1) How does logistics drive the supply chain, the collection of events and collaboration among stakeholders? 2) How does measuring satisfaction and supply performance factor in a customer's supply requirements? And 3) How does the definition of DRP factor into the decision making process?

What is on the horizon for the DRP? Simulation software, designed not to generate solutions but rather to provide insight to facilitate decision making, will extend the DRP skill sets. Technology and adaptive tools that handle extreme fluctuations in the DOD joint logistics environment will also improve the JDDE's understanding of its customers and benefit the process all the way around.

## APICS WORKSHOP #2

### Managing Risk in Joint Distribution

Irvin Varkonyi, CSCP

*American Public Univ System & George Mason University, Adjunct Professor  
President, Supply Chain Operations  
Preparedness Education (SCOPE)*

#### RISK:

The combination of the probability of a disruption and the criticality of the disruption.

The element of risk management is a critical component of the JDDE and understanding how to manage risk while optimizing performance was the primary educational goal behind this Professional Development Workshop. The session began with a discussion of concepts and challenges underlying risk management

# PROFESSIONAL DEVELOPMENT



APICS Workshop participants pose during a break from the classroom. Photo: Mike McVeigh

"I firmly believe that focusing on managing risk will improve decision-making by the DOD logistician. In the end, the DOD must optimize its customer service to the warfighter, and such optimization can only occur when uncertainty of delivery due to disruptions is reduced."

from the DOD perspective: Elements of information sharing between sectors? Overcoming obstacles presented by stakeholders representing different branches of the armed services as well as defense contractors? Measuring risk from field to foxhole?

Some valuable lessons in support of this goal have been learned to date: 1) Outsourcing by the DOD not only improves efficiency in operations but also directs stakeholders to manage the increased risk as compared to using internal suppliers. 2) Measuring risk requires the understanding of risk and all that is involved. 3) Recognizing the "Six V's," traditional foundation conditions that must be monitored in order to avoid operational risk in a global supply chain—Value, Variability, Velocity, Visibility, Vulnerability and Verdancy.

What does the future hold? Better metrics to measure risk will be developed that will enable the DOD, along with its contractors, to make better decisions on evaluating value and its risk in the JDDE. And, Joint Logisticians will be expected to

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**Lending a Voice**  
**Denise A. Bailey**, NDTA VP Industry  
Enterprise Solutions Group  
YRC Worldwide

One of my goals as NDTA's Vice President—Industry is to present a broader scope of industry concerns to the membership and especially our military and government partners. As part of the trucking industry, I believe I have the experience and background to represent the views of my fellow trucking members. But, seeing issues and challenges through the eyes of an ocean carrier, airline, freight forwarder, or railroad is a different story.

To better represent the opinions of all NDTA industry members, and to truly

make this column a bully pulpit for all points of view, I would like to reach out to all major NDTA industry segments and identify spokespersons that can represent the varied commercial interests of our corporate members. Our goal will be to give a voice to all the common subjects and concerns of our corporate members—large companies and small, well established and newly formed, in every transportation mode and in related logistics, supply chain, travel, and service fields.

NDTA has agreed to furnish an initial

list of members who might be willing to represent their respective industries. But there is no way of insuring that everybody is considered without going directly to each of you and asking if you would be willing to help. So that is what I am doing. If you would like to serve as a spokesman for your industry, please contact me at: denise.bailey@yrcw.com. Once we have chosen a representative group from our corporate membership, we will solicit information from them and prepare articles for publication in this column. Ideally, we could have a different Industry column author for each issue of the *DTJ*. It will be good experience for the individual in "getting published", and good exposure for the spokesman's company. All of NDTA can profit from the diversity of the opinions that will be presented. *DTJ*

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their impressive performance on the gridiron. You may recall reading about them in, "Turf, Tundra, Teamwork" published in the September, 2007 *DTJ* and about the NDTA members [BNSF; Norfolk Southern Railway; Totem Ocean Trailer Express, TOTE; and UPS] who

got their football field up and running with deliveries of turf and other supplies. Bill Deaver, TOTE, was on a flight to Alaska recently when a fellow traveler remarked that the field is in great shape! Thank you, Bill, for sharing an update! And, thank you NDTA members—your investment in the Whalers has paid off!

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understand the trade off of efficiency of operations with its risk.

**APICS WORKSHOP #3**  
**Developing your Supplier Selection Strategy**  
Irvin Varkonyi, CSCCP

Supplier selection requires consideration of multiple components of varying weight in order to select suppliers who meet the needs of the JDDE. There are several factors that should be taken into consideration when developing the best strategy: What is the optimum level of suppliers to maximize price savings while reducing risk of supplier disruption? How does supplier performance help achieve competitive corporate performance? How do suppliers and customers develop mutual commitments

to the benefit of both parties? Varkonyi provided some useful guidelines:

- Supply relationships are based on a continuum ranging from little or no value added relationships to higher value added relationships.
- Collaboration between supplier and customer increase with higher value added relationships.
- Reasons for alliance failure among suppliers and customers includes poor communications, lack of shared benefits, cultural mismatch, and lack of financial commitment.

What trends may affect supplier selection strategy? Transactional procurement is shifting to strategic sourcing based on more than the price of single transactions, like customers' key markets. And single sourcing for the JDDE will be pressured to give way to supplier alliances. *DTJ*

**FAREWELL**

**Mr. Don Perkins**

The NDTA bids a fond farewell to Don Perkins, long time member of Carden Jennings Publishing (CJP) who managed the *Defense Transportation Journal* advertising department. Good luck to you and Linda, and many thanks for your dedicated support. We wish you well in sunny Florida! *DTJ*

**WELCOME**

**Mr. Jim Lindsey**

Jim Lindsey, who joined CJP a little over a year ago, is *DTJ's* new advertising account manager and will continue the excellent customer service standards that our readers have come to expect. Jim has been in the publishing business for more than 20 years and brings a wealth of experience. "I want to contribute to the growth of NDTA through a high quality product that supports the objectives of the organization and advertisers," said Jim. Glad to have you on board, Jim! *DTJ*