



CFMEExecutive Summary

Enhancing careers for over 40 years...

Presented by Dave Viale Founder, President, Chief Education Officer

CPA, CPIM, CSCP

Master APICS Instructor



(408) 398-8280





CFME's Mission

To provide the highest quality education, training, and consulting services anywhere in the world, 24x7 - 365 days a year.

Favorably impacting the upward mobility of over 50,000 professionals



Over 50,000 people trained across 3 continents and over 20 countries with thousands of VSM's completed

AMERICAS

United States Canada

Mexico

Brazil

EUROPE

England

Ireland

France

Germany

Italy

Netherlands

Sweden

Hungary

Romania

ASIA PACIFIC

China

Australia

Hong Kong

Singapore

Malaysia

Thailand

Taiwan

Favorably impacting the upward mobility of over 50,000 professionals



CFME is an Education, Training & Consulting Company

Here's what CFME does

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- ☐ ERP Theory APICS CPIM (certification preparation)
- ☐ Supply Chain Theory APICS CSCP (certification preparation)
- ☐ Lean Office (Lean All the Enterprise) Productivity/Quantification of Results
- ☐ Finance for All Functions

Training

☐ Apply the theory to your ERP, Supply Chain & Productivity Projects

Consulting and Coaching for reinforcement of Education & Training Strategy Development

- ☐ Forecasting and S&OP
- ☐ Inventory Productivity
- ☐ Cost Reduction both COGS and OPEX

For detailed class descriptions, see Appendix



Industry Influence and Collaboration













































From Start-Ups to Fortune 100 Companies...



Core Beliefs

- 1. FOCUSED Education and Training should be the Channel of Distribution for your company's Business Plan.
- 2. For every supply chain TRANSACTION, there is a financial impact
- 3. Every business transaction has an impact on SUPPLY, DEMAND, and/or CAPACITY.
- 4. Companies must apply the LAW of $64/4^{TM}$
 - use 80/20 of the 80/20 Rule to quickly find root causes of problems and prevent them from recurring
- 5. The proper use of information technology is the key to SCALABILITY of processes and organizations.

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Why We Are Different...

- Laser focused from the start
 - Not generic but practical
 - Easily tailored with industry templates
- Scalable delivery model
 - Well developed and widely applicable materials
 - Workshop-based for increased retention
- Cost effective
 - True learning at 1/10th the cost*
 - Best-in-class price/performance
- Payback as you go....
 - Use real examples from participant's workplace
 - Low hanging fruit is easier to recognize and capture



"What keeps you awake at night?"

We asked senior executives this question in interviews over the last 18 months. Their responses were consistent:

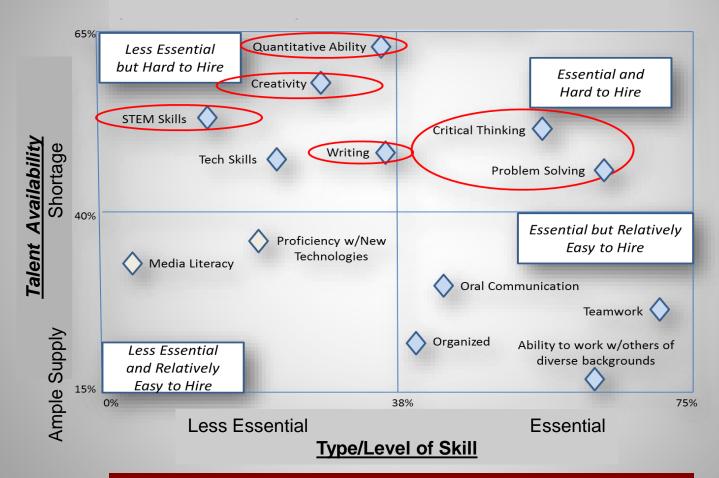
"Finding <u>enough</u> good people with those <u>critical problem solving SKILLS</u> that will enable MY company to become increasingly more profitable; to sustain our required growth and stay competitive."

CFME has Solutions!

We help develop these critical skills – for YOUR Company!



CFME delivers Development Solutions for those Critical Skills which are the Hardest to Hire



<u>Delivering these new capabilities to YOUR Company</u> *CFME's core competency!*



Here's How We Do It...

- Educate
 - Customized to fit your business environment
- Train
 - Workshop with examples you bring
- Advise/Consult
 - Effective follow up with your company's leaders

We have a formula that works...



Educate

- Master the theory of ERP/manufacturing, supply chain, and Lean education
- >50% hands-on, interactive delivery with Q&A, exercises, problems, and small group discussion
- Tying the theory to you and your ERP systems (Oracle, SAP, JDE, Infor, etc.)

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Train

Advise



Train

- Applying the theory to employee specifics
 - Jobs, standard operating procedures, VSM's
- Identifying and quantifying the impact (\$ savings, waste reduction) on key financial ratios and financial statements
- Development of professional PowerPoint presentations to document and convey individual results – and the impact on company KPI's





Advise



Advise/Consult

- Provide ongoing reinforcement of education and training, on-site.
- Develop strategies for larger scale deployment of core process improvement
 - Sales & Operations Planning
 - Forecasting
 - Inventory Productivity
 - Cost Reduction for COGS <u>and</u> OPEX

Educate

Train

Advise



Consulting and Coaching for Reinforcement

Working in collaboration with your workshop participants to develop:

- 1) Sales & Operations Planning
- 2) Forecasting
- 3) Inventory Productivity
- 4) Cost Reduction for COGS <u>and</u> OPEX

Experienced at transferring the Strategies into quantifiable results to help your team exceed corporate objectives

- Revenue growth
- Gross Profit improvement
- Operating Profit growth
- Best-in-Class On-Time Delivery
- Total Quality

- Competitive Cash-to-Cash Cycles
- Scalability Financial Leverage
- Increased Inventory Turnover
- Decreasing cost as a % of revenue
- NPS Customer Satisfaction >50

Directionally sound Strategies that can be executed quickly



Example: Developing a Forecasting Strategy& the Tools to Implement it Efficiently

- Develop a Business Case for a Forecasting Strategy
- Understand the Tools in Developing a Forecasting Model to support your Corporate Objectives
- Obtain Tools for Reducing Forecasting and Inventory Errors
- Develop a presentation highlighting Recommendations, Justifications, Next Steps with a timeline to get results



There's only ONE way to measure the effectiveness of any strategy – and that's by the bottom line results we are able to achieve!



Results

- Waste OUT
- ✓ ↑ Revenue UP
- ✓ ↓ Costs DOWN
 - COGS Cost of Goods Sold
 - OPEX Operating Expenses
- ✓ ↓ Cash Conversion Cycle FASTER
- Morale UP

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Get started with CFME *today* – and move your career onto a new, higher trajectory

Here are just a few ways:

- ✓ enroll on line at cfme.com for one of our cert prep or lean classes
- ✓ email cfme for scheduling on-site training that can be tailored to you
- ✓ Call CFME and speak to Dave directly about your needs at 408-398-8280

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About our Founder, Dave Viale

Dave Viale, Founder, President & Chief Education Officer CPA, CPIM, CSCP APICS Master CSCP & CPIM Instructor For more information and recommendations, LinkedIn, Dave Viale, CFME@aol.com

Dave Viale, President & Founder (CPA, APICS Master Instructor, CPIM, CSCP)

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Dave Viale is an educator, consultant, and writer. He is the founder and president of CFME, an International Education, Training and Consulting Company.

He brings a diverse work experience to CFME including a combined, more than 20 years, work experience at Arthur Andersen, Fairchild Semiconductor, and Hewlett Packard, as well as several leadership positions. He was a practicing CPA and also taught for several universities and colleges. Capitalizing on this varied background, Dave brings a cross-functional perspective to his consulting, classes, speeches, seminars, and key executive presentations, which he delivers across the U.S., Canada, Europe, and the Far East. During the last ten years, Dave has specialized in Supply Chain Management and Contract Manufacturing.

This global experience, when combined with his educational training, brings a unique blend of theory, practicability, and financial impact to his presentations, consulting engagements and his books. Dave is the author of the best-selling APICS books, Basics of Manufacturing, Basics of Inventory Management and Finance for All Functions.

Building on his TQC, JIT experiences, Dave has expanded CFME's product offering with the "Lean All The Enterprise Workshop Series and Consulting Package". Most classes, workshops and seminars on The Lean Enterprise/Six Sigma deal primarily with the manufacturing area, and to a lesser extent the customer and the supplier functions (loops). This customer customized series is different. While it can still deal with the manufacturing function it has been designed with an equal emphasis on all the other functions, and can be applied across all entities.

CFME is leveraging off these successes by expanding its offerings with the intro of the "Advanced Problem Solving and Decision Making" Workshop.

Enhancing careers for over 40 years...



ADDENDUM

Cost reduction examples	pages 20 - 23
Customer Recommendations	page 24 & 25
Class Outline examples	
- APICS CPIM	pages 26 & 27
- APICS CSCP	page 28
- Lean/Office/Productivity Workshop	page 29
- Finance for All Functions	page 30 & 31



Examples of Cost Savings & Productivity Improvement

Eliminated the xyz Ops Bi-Weekly report, which was determined as non-value-add. While sound accountability systems around the reported activities are important, eliminating the report itself frees up a total of 23 hours of work for 13 people every 2 weeks.

Calculation:

23 hrs. x 13 people x 26 weeks = 7,774 hrs. freed up

<u>7,774 hrs.</u> = <u>194 hrs.</u> per week, 4.85 people's time freed up 40 hr. wk. 40 hrs.

5 people can now be redeployed do something else for their company. Wouldn't you like to have 5 more full time people to tackle your goals and objectives?



Results - Examples of Cost Savings from one Workshop

A3 Title: Team and/or Individual	Savings \$	
Persons	Annually	Evidence
MOC Process	\$28,750	8750 for labor savings (4.5 hr./process @35
		processes/yr, based on \$55/hr.) and \$20K cost
		avoidance savings in intangibles
Operator Training (A-Team)	\$103,500	See Appendix
Customer Service (no names)	\$86,000	2,100 hrs. (\$40/hr.)
Mix Procedure Updating Process	\$75,000	40 hrs./yr. of reduced Eng/QA/R&D/Mfg labor.
		Waste = 50-75K material waste improvements
Mill Process	\$25,000	.25/lb.
OPS	\$300,000	Inventory reduction by \$2.5M
Cert. Pocess (Quality Team)	\$60,000	1.58 hrs. @ \$40/hr.
Standardize AX Part # Creation	\$30,000	37 min./part time savings
Process Development - New Part	\$8,000	Time savings
Introduction (Eng)		
Procurement (Supply Mgmt.)	\$200,000	135 hrs. (various depts.)
	\$33,000	Price discounts/free shipping
	\$12,000	AP Processing
Total	\$961,250	



Results - Examples of Cost Savings - One Person's Project

- Reduction of "walking" time for supplies
- Estimated that each operator will go to the supply cabinet 2 times per day and it takes an average of 4 minutes per round trip
- Assumes new locations of supply cabinets will reduce time to 1 minute per round trip with savings of 3 minutes per employee per trip
- Based on estimate of 50 employees:
 - \circ Total trips per day (50 x 2 = 100)
 - o Minutes saved per day $(100 \times 3) = 300$
 - Days per year = 260
 - \circ Minutes per year (300 x 260) = 78,000
 - o Hours per year (78,000/60) = 1,300 hours or .6 FTE
 - Average fully burdened hourly salary = \$25

Total dollars saved $(1,300 \times $25) = $32,500$



Results - The Law of Large Numbers/Cost Savings

Potential Company-wide Savings

Our brains are not well equipped to understand large numbers (potential savings, especially as they relate to office workers, professionals, service and caring personnel).

Exercise: Financial Calculation of Time Wasted with an example of a company with 6,000 employees (IDL)

Assumptions: 160 hour work month, Indirect Labor only

Exam	nl	e
LAGIII	м,	

	Est. Hrs. of
Name	Waste
R*	35
J*	50
Tom*	50
Lisa*	60
Kevin*	30
Justin*	50
Michael*	125
Erwin*	30
Cory*	30
Bob*	10

Total per Mo.	470
X 12 mo.	12
	5640
Fully loaded Salary	\$100
Total per Mo.	\$564,000
# of IDL	6,000

Average per person (IDL)

\$564,000	\$56,400
10 people	

Times # of IDL in Co.	_	6,000
Total Potential Wastes (NVABR)	\$338,400,000



Recommendations from Customers

Dave has been teaching manufacturing concepts to people for over 20 years so that individuals can grow professionally and advance their careers. His enthusiasm is apparent, and he instills interest and a desire to learn.

I have had the pleasure of learning from, contracting with, and knowing Dave professionally for over 8 years. APICS courses brought us together which led me to hire him to teach on-site classes.

Dave is a people person who enjoys teaching and working with others. He has an uncanny ability to relate business events that have happened over the years (eg: Henry Ford's first assembly line) as well as current events (eg: companies he is currently or has worked with), so the people he is teaching or consulting with can understand and apply successful business concepts when learning and making critical decisions in support of helping companies grow revenue while reducing costs and inventories.

Most people think of Manufacturing when they hear Dave Viale's name, but his knowledge of Finance, Sales, Engineering, HR, etc. makes his teachings diverse and well rounded. Today he is teaching and looking at better ways for companies to remove wastes from their processes so as to allow people to be more productive, personally and professionally.

I have had the pleasure to work with Dave Viale during his most recent Lean All The Enterprise Workshop. He has been able to capture the essence of the Lean Journey experience and transfer it to the world of Sales and Operations Planning; the entire Supply Chain including Sales, Marketing, Purchasing, Planning, R&D, Finance, Ops and HR. All of professional people should look at bringing this workshop in-house. Because of his strong financial background (CPA and teaching college accounting and finance courses), he is able to show how every operational, sales, marketing, etc. has a financial impact on what people are doing.

I have been learning so much from Dave. I owe my career development, supply chain knowledge and management skills largely to Dave's teaching and help in the past 8 years. Today he is teaching at my company and helping to grow our business. I highly recommend Dave be your coach, mentor, consultant and teacher. He is simply the best.

Junli Yamada BD Biosciences.



Recommendations from Customers (Cont'd)

I've known Dave since 1986. He is an excellent instructor in the areas of Materials, Manufacturing and Operations. Dave is personable and engaging. He designs his courses to thoroughly cover the subject matter, preparating his students to pass the required tests for certification (APICS, etc.). Dave's classes are focused on student participation, not just a lecture. I'd recommend Dave for anyone looking for a dynamic, motivated speaker who is always on the curring edge of the subjects he teaches.

Mike Roche, Purchasing Manager Micrel, Inc.

I have had the privilege of knowing Dave Viale for 30 plus years. He has been a great teacher of various courses and of certifying people on APICS courses. I have learned from Dave and have witnessed his great teaching skills. He is able to train large groups as well as mentor individuals. I recommend Dave as a key contributor to anyone seeking additional knowledge and education.

I have participated in Dave's training while I was employed at two different, Fortune 1000 companies. Both engagements covered at least a three to four year, continuous engagement. He works well with all levels in an organization.

Jeff Bautista, Director Global Supply Chain Development I have worked with Dave Viale for almost ten years. I got to know him when I attended his CPIM course, which led to successful certification for a large number of those from our plant. Since then I have continued to work with Dave. He has given me the opportunity to participate in planning for his Lean courses and I was able to attend one of his Lean Enterprise workshops. I also worked with Dave on the Board of the Greater San Jose APICS Chapter where his ideas helped the chapter start to grow.

The thing that impresses me most about Dave and his work is that he never stops thinking about what is needed for the next generation of business. He took the Lean concept, which was mainly for manufacturing, and has expanded it throughout the enterprise. He can see ideas and areas for improvement that many would not even look at and he is able to make his ideas practical to all levels of business. I consider him an idea leader in the APICS training community.

Marilyn Barclay, CPIM, PMP IT Business Partner BD Biosciences

I have known Dave Viale for almost 20 years, when he recruited me to instruct for CFME. What impresses me most about Dave is his ability to answer complex questions using his real (practical) experience in the profession. He's not an academic; he's a former professional in Operations who discovered his attraction to teaching others.

Students recognize the real value of hands-on, in-the-trench experience. Several years later, I attended St. Mary's College, where they advertised that very fact – every instructor was a former professional in the field that they taught. Dave brings credibility to the front of the classroom.

Over the years, I've worked with Dave on several projects. It was then that I witnessed his ability to connect his technical knowledge to write material that is easily understood by students and practitioners.

Dave Wilkins
Operations Executive Consultant



APICS CPIM Certification

The APICS Production & Inventory Management (CPIM) Modules

The APICS CPIM Certification Program is a comprehensive, professional development and Exam Preparation Program. This program is made up of five classes.

Basics of Supply Chain Management - Class 1

The basic concepts in managing the complete flow of materials in a supply chain from suppliers to customers are covered in the Basics Module. This covers manufacturing, distribution, service, and retain industries. This includes the fundamental relationships in the design, planning, execution, monitoring, and control that occur. Knowledge of the material in this module is assumed as a prerequisite for the other APICS CPIM modules, which cover similar topics in much greater depth.

Topics include:

- Understanding basic business-wide concepts, including understanding various supply chain environments
- Managing demand, including markets and customer expectations
- Designing products, processes and information systems
- Understanding supply issues including inventory costs, functions, and metrics

Master Planning of Resources – Class 2

Explore and be able to apply the principles of demand management, sales and operations planning, master scheduling, and distribution planning, and to identify conditions that require action. This module evaluates knowledge of both supply and demand planning for mid- to long-term independent demand.

Topics include:

- Recognizing all demands for goods and services to support the marketplace
- Bringing together all the plans for the business
- Disaggregating the production plan into an executable schedule
- Planning the distribution network and replenishment



APICS CPIM Certification

The APICS Production & Inventory Management (CPIM) Modules

Detailed Scheduling and Planning - Class 3

Acquire a working knowledge of the tools and techniques for planning of inventory, including planning techniques such as MRP, CRP, Lean, TOC, and projects. Understand the effect of using each technique, know standard measurements for inventory, materials, capacity and supplier performance, and recognize when to escalate issues.

Topics include:

- Managing inventory, planning material requirements, planning capacity requirements, and procurement and supplier planning
- Recognizing the importance of supply chain management and deploying supply chain strategies related to scheduling, planning, and sourcing
- Translating product-level plans and schedules generated at the master planning level into requirements that can be procured or produced
- Bridging the master planning area with the execution and control function
- Planning, scheduling, resource allocation, and implementing projects that are used to manage the supply of products and services

Execution and Control of Operations - Class 4

Learn to translate plans into operational activities and define and apply techniques in the operations field.

Topics include:

- Comparing actual output to plans and taking appropriate corrective actions
- Communicating ideas in a group setting and instructing others in tasks
- Creating operational solutions in the face of competing resources
- Explaining the release of work and reporting performance through data collection
- Understanding the execution of quality initiatives and continuous improvement plans

Strategic Management of Resources - Class 5

Move your learning to the next level through the SMR module that includes higher-level thinking or strategic planning and implementation of operations. This includes an understanding of how market requirements drive the resources and processes of an organization.

Topics include:

- Understanding concepts that require a combination of elements and higher thinking within the entire CPIM body of knowledge
- Knowing the relationship of existing and emerging processes and technologies to operations and supply chain functions
- Understanding various business environments
- Knowing how business strategies are developed and how operation strategies are implemented



The APICS CSCP Certification

The APICS CSCP Certification Program is a comprehensive professional development and exam preparation program. This program is made up of three modules.

APICS Fundamentals of Supply Chain Management - MODULE 1

- Broad concepts of supply chain management, including primary processes, objectives, integration methods and benefits
- Alignment of supply chain and business strategies
- Key considerations for supply chain design and continuous improvement
- Key measures for planning and controlling inventories
- Fundamentals of logistics in supply chain management
- Identifying and managing market segments
- Demand forecasting and management techniques
- Keys to effective Customer Relationship Management (CRM)
- Core concepts of supply management

APICS Implementation and Operations – MODULE 3

APICS Implementation and Operations

- Supply chain dynamics and the balance of responsiveness and efficiency
- Managing supply from internal and external sources
- Implementation of demand plans, including prioritization and fulfillment, and capturing and communicating point-of-sale data
- Tools and techniques to support continuous improvement strategies

APICS Supply Chain Strategy, Design, and Compliance - MODULE 2

- Sustainability practices in design and operation of a supply chain
- Risk, its sources, impacts, and mitigation methods
- Globally dispersed supply and demand, and the impact of free trade zones and trading blocks
- Globalization effects on inbound and outbound logistics
- Measurement of, and efficiency and responsiveness, in the supply chain
- Technologies for design, data, operations and communications in supply chain management
- Factors influencing demand, including design, marketing, selling, and matching customer orders
- Core concepts of CRM, including strategies, technologies, and key implementation challenges
- Fundamentals of Supplier Relationship Management (SRM), including strategies, improved management of sources, relevant technologies and measurement
- Inventory planning and control methods



Lean Office/Productivity Improvement Workshop Productivity and Quantification of Results

Overview

Most workshops on Lean, Six Sigma, and Continuous Process Improvement primarily deal with the manufacturing areas of a company. Since the inception of the Quality Movement over 100 years ago, focus has been on improving the productivity of Direct Labor people. However, little if any effort has been made to achieve the same results in the Indirect Labor areas, such as Scheduling, Planning, Purchasing and Inventory. The objective of this workshop is to upgrade the knowledge and skills of these people. This workshop will show each person – in their current workplace environment – how to identify, express and deliver productivity improvement – or effectivity – that they dramatically increase their value to their company – and as a results, experience job satisfaction and career progression.

- Eliminate work that should not be done in the first place.
- Learn to eliminate repetitive, non-value added tasks.
- With skills and tools mastered, contribute to the organization's objectives of scalability and sustainability, and Continuous Process Improvement efforts.
- Prepare people to do the 20% of the work that has an 80% impact (work a computer can't do; at least for now).
- Ensure **YOU** stay gainfully employed.

Topics include:

- Understanding basics of Lean/Six Sigma Overview
- Developing an A-3 Project Plan Problem Statements
- Developing a Value Stream Map(s)
- Acquiring a working knowledge of Lean Tools and Techniques
- Exploring and the ability to apply the principle, tools and techniques to reduce the various types of waste; Muda, Muri, Mudi
- How to unravel/unmask the waste in ERP Systems through the use of Lean tools
- How to financially quantify your improvement opportunities to the extended bottom line
- How to lead the integration of Lean Office with Lean Manufacturing



Finance for All Functions - Overview

Overview

Even among the most successful professionals working for most companies — *there is typically a void in their grasp of business finance.*

- While it is not necessary to master a level of detail encompassing the "accounting rules of debit and credit", it is critical to develop an understanding of the financial ramifications of decisions made within the entire supply chain, including the manufacturing environment – not only the bottom line, but the top line as well.
- Employees today are often required to research, collect, and evaluate financial data. Those in decision making positions are expected to participate in planning and maintaining department budgets, ensuring cost control, and driving improvements. Promotions and raises come to those who are instrumental in achieving departmental goals such as sales quotas, cost reductions, and productivity improvements.

 A basic understanding of financial metrics and the financial planning process – providing clear linkages to the participant's role in that process - will help increase the probability that YOU become instrumental in leading improvement.

The aim of this class to equip participants with the financial knowledge necessary for <u>successfully</u> <u>calculating current performance</u>, <u>setting new targets</u>, <u>developing improvement plans</u>, <u>and then leading</u> <u>improvement teams</u> to ensure that corporate and site-specific goals are met or exceeded.



Finance for All Functions - Overview

Topics include:

- OVERVIEW OF SAMPLE FINANCIAL STATEMENTS
 - The Income Statement.
 - > The Balance Sheet
 - > The Cash Flow Statement
- INTRODUCTION TO KEY FINANCIAL RATIOS
 - Gross Profit and Gross Margin: EBITDA; Net Profit; Earnings per Share
 - Cash Conversion Cycle (Cash-to-Cash)
 - Days Sales Outstanding (DSO);
 - Days Supply of Inventory (DSI);
 - Days Payables Outstanding (DPO)
 - Working Capital
 - Inventory Turns
 - Return on Assets (RONA); Return on Investments (ROIC)
- UNDERSTANDING HOW <u>YOU</u> CAN IMPACT THESE STATEMENTS and RATIOS

- BASICS OF COST ACCOUNTING
 - Product Costs The importance of an accurate Costed Bill of Material (CBOM)
 - Standards how we financially account for the cost of what we ship
 - Variances what they mean and how they should be analyzed
 - Allocations when and why they are useful and how they are applied
 - Examples from your company
- DEVELOPING A FINANCIALLLY SOUND INVENTORY STRATEGY TO SUPPORT CUSTOMER ON-TIME DELIVERY – FOR YOUR COMPANY/DIVISION/SITE
 - Customer service level requirements in the context of delivery performance
 - Internal determination of ABC categories and the how to calculate and implement the appropriate amount of inventory to buffer forecast variation
 - Excess and obsolete inventory
- DEVELOPING A FINANCIALLY SOUND COST REDUCTION PROGRAM
 - Costs to change suppliers vs. costs to not change
 - Analyzing key supplier financial statements
 - Developing a strategy for cost reductions commodity by commodity
 - The competitive bid process the best evidence of cost reduction opportunities