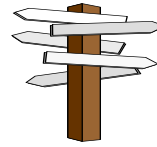


THE MINNESOTA LOGGER



Minneapolis/St. Paul Chapter 6 District 6 of the
International Society of Logistics (SOLE)

Minneapolis/St. Paul

Issue No. 248

Date - January 2003

Chairman's Corner

ERP and Product Service Elements

We are continuing our discussion of *automation and integration* of business processes as it affects the "Elements of Logistics" as defined by B. Blanchard. Last week we defined some of the features of ERP systems.

A recent industry study concluded:

"ERP offers many potential benefits, but users must determine the right approach and understand the limitations in order to be successful. These two benefits top the list:

- Extending an ERP implementation from the Original Equipment Manufacturer (OEM) or production side of the operation to the services side rarely succeeds. The loss of productivity and the risk of project failure outweigh the benefits of integration and total cost of ownership. Users must embrace the differences in the businesses and create an independent implementation and configuration strategy.
- Even with a very successful ERP implementation, many of the key business improvement opportunities are outside the scope of ERP vendor products. In many cases, leading ERP vendors in the service world are adding more advanced capabilities linked to service and support, sales and marketing, supply chain, and product information, but they inevitably trail leading best-of-breed vendors, forcing the business to constrain business strategy based on the limits of the technology.

As a result we believe that all service businesses, because of the unique, cross-functional disciplines required to effectively manage a product services business must plan for and invest in best-of-breed

applications." (AMR Research Report, August 2002, page 14).

With the Elements of Logistics in mind let us review one of the top five business issues affecting customer satisfaction where the best-of-breed capability is currently outside of the scope of ERP systems. The first element affected I have chosen is that of technical documentation.

ERP coverage is currently classified as "limited" for technical documentation because typically ERP products on the market are limited to "basic product data and documentation management."

The original element concept of *technical data* has changed significantly to that of "Technical data, information systems, and database structures". Technical documents were once solely paper based and were static from official revision to official revision all issued by paper-based updates. Now the internet/www and common formats of electronic documents have made documentation updates available instantaneously worldwide. The original technical data concept did not include Internet delivery for technical documentation, as it was not envisioned. The new concept of *technical data, information systems, and database structures* is one of **technical information management**.

Technical data is more than the manuals that describe and teach the set-up, operation, and repair of the product or its software it is also the ongoing communication medium for support issues. From a service marketing viewpoint technical data provides competitive tools that help differentiate the product (and provide some barriers to the competition).

The uses of technical data have expanded and technical content is now being developed for: Internet, e-commerce, e-catalog, intranet, enterprise portals, marketing communication/product documents, traditional documentation, training and support. The media has expanded to: print, web, CD-ROM, wireless, & PDA. Formats are numerous.

Technical documentation professionals are under constant pressure to produce and publish on short cycles, in multiple formats, in multiple media (web, CD-ROM, print) and with the highest degree of accuracy. But with traditional publishing technology, doing all three at once remains difficult. In addition, multiple author collaboration in the production cycle is difficult with

multiple departments, plants, and suppliers. Added to that is the need to collaborate with outsourced translation services to produce multi-language end items.

According to the same research report above the key best-of-breed providers for technical documentation are:

- Enigma
www.enigma.com
- Arbortext
www.arbortext.com
- Documentum
www.documentum.com
- XyEnterprise
www.xyenterprise.com
- Corena
www.corena.com
- Automation Technology
- EDS (E-Vis)
 - www.plmsolutions-eds.jp/software_solutions/teamcenter/ev/s/
- Mincom
www.mincom.com
- MRO Software www.mrosoftware.com

Readers are encouraged to visit the web sites above for additional detail into the features and capabilities of these best-of-breed system vendors related to *technical information management*.

In upcoming issues we will continue to discuss the best-of-breed systems offerings affecting other areas of customer satisfaction.

Larry G. DeVries, CPL
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Business Process Framework Service-Oriented Business Operating as a Profit Center

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General Processes – Major Categories

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OPERATING PROCESSES

1. Understanding Markets and Customers
2. Develop Vision and Strategy
3. Design Products and Services
4. Market and Sell
5. Produce and Deliver for Service-Oriented Organizations
6. Invoice and Service Customers

MANAGEMENT & SUPPORT PROCESSES

7. Develop and Manage Human Resources
8. Manage Information Resources
9. Manage Financial and Physical Resources
10. Execute Environmental Management Program
11. Manage External Relationships
12. Manage and Improve Change

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2002-2003 MEETING TOPICS

Date	Event	Remarks
Tue, 14 Jan 03	Am. Society for Quality (ASQ) Joint Meeting	“Return on Quality/Cost of Quality”
Thu, 20 Feb 03	Failure Modes Effect Analysis (FMEA), useful or useless	Group discussion.
Thu, 20 Mar 03	Visit Ford Ranger Plant	Ed Nelson will coordinate
Thu, 17 Apr 03	Medical Stints. What are they, how used.	Ken Dacas will coordinate
Sat, 17 May 03	Visit Jackson St Roundhouse	Jack Povlock will coordinate.
Thu, 19 Jun 03	Paddleford Evening Cruise	Joe O’Brien will coordinate.

UPCOMING MEETING --

January 14, 2003 (TUESDAY)

The January meeting will be a joint meeting with the American Society for Quality. **This is our first joint meeting of the year.** The meeting will be held at the Northland Inn. The address is 7025 Northland Drive N., Brooklyn Park, MN. For those getting lost on the way the phone number of the hotel is (736) 536-8300. There will be an after dinner presentation on "Quality Improvement Payback". This may be a method, which can be translated into Up-Front Logistics Payback. The complete ASQ program can be found on their website at

http://www.mnasq.org/prog/jan_03.html

Please RSVP to one of the people on the flyer by end of business Thursday January 9.

Last Meeting

The last meeting was held at the Chez Daniel restaurant located at the Embassy Suites Hotel. The guest of honor was Mary Jane Dyer, long time active member. This is a social event to honor Mary Jane and celebrate Christmas. There was a good turnout and we had a lot of lively conversation, which included the future of logistics in today's COTS world. The combination of COTS and the demise of MIL SPECS has forced the logistics world to rethink how we deal with support and our own management. Many of us raised in the world of requirements have had to change ideas and methods in midstream in order to educate management to the fact we are not expendable. There still needs to be support for our company products. There is no magical way to ship from the loading dock and ignore failed equipment, especially when we are now assembling products from commercial COTS manufacturers. So, along with Christmas banter about the past there was some significant conversation about today's logistics.

THIS IS OF INTEREST TO ALL WHO DEAL IN DOD CONTRACTS

October 30, 2002 –The Secretary of Defense issues a memorandum canceling the DoD 5000 series on Defense Acquisition. This affects every company dealing with the DoD.

The Deputy Secretary of Defense has cancelled the existing DoD 5000 series (DoD 5000.1 dated October 23, 2000 with the change on 1 January 4, 2001, DoDI 5000.2 dated April 5, 2002, and DoD 5000.2-R dated April 5, 2002) acquisition policy and issued interim guidance pending the release of the final revised DoD 5000. SAF/AQXA, the Air Force representative to the Defense Acquisition Policy Working Group (DAPWG), will be working with OSD over the next 71 days to finalize the new 5000 for formal publication. Also included is the "Interim Guidebook" which is currently the former DoD 5000.2-R regulation. The former DoD 5000.2-R (interim guidebook) is NOT mandatory, but should be consulted for best practices, lessons learned, and expectations, until replaced.

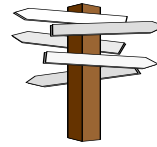
A DoD Resource center can be found on the web at <http://dod5000.dau.mil/> for assistance until the new Defense Acquisition System Policy documents are issued.

IN MEMORIAM

Paul M. Bruening, CDR, SC, USN Retired, died unexpectedly 12/12/02 in a car accident. Paul retired after 25 years in the Navy Supply Corps and then managed Control Data's worldwide spare parts operation. He was a senior member of SOLE and active in the Minneapolis-St. Paul Chapter. Paul earned the CPL distinction in the late 1970's. He had retired from Control Data Corporation about ten years ago.

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MINNEAPOLIS/St. PAUL CHAPTER Joint Meeting With THE AMERICAN SOCIETY FOR QUALITY

MEETING DATE: **Tuesday, January 14, 2003**

LOCATION: The Northland Inn, 7025 Northland Drive N. Brooklyn Park, MN

TIME: 5:00 pm, Registration

6:00 pm, Pre-Dinner Presentation

7:00 pm, Dinner & Discussion: Soup and Salad, Roasted Tenderloin Turkey,
Seasonal Accompaniments, Fruit Tart

7:45 pm, After Dinner Presentation

COST: \$18.00: Chapter picks up \$6.00; members cost \$12.00 per person

MEETING TOPICS:

Pre Dinner – Marilyn Pehl will lead a discussion about the costs of a monthly meeting and how they might be reduced. She will present some actions recently taken and request member's reactions and suggestions about what else could be tried.

After Dinner – Quality Improvement Payback presented by Ronald V. Bardal of Medtronic Inc. and Paul Grizzell of Medtronic Cardiac Surgery.

To most quality professionals, payback from quality initiatives seems obvious. Senior management, on the other hand, has more of a "show me" viewpoint-show me that this investment in quality will actually pay off. There are many demands for scarce financial resources so at budget time, funding for quality improvement training and teams is low on the priority list. "Quality is free" is not an accounting principle, so how can you convince management that investing precious dollars will pay off? The speakers will share a new perspective and innovative reporting tool used at Medtronic to help you translate planned quality improvements projects to business results management can understand.

RESERVATIONS: Call one of the following for reservations not later than 9 January 03:

Honeywell

Lockheed Martin

United Defense

Other

Jack Povlock

Joe O'Brien

Ken Dacas

(763) 954-6263

(651) 456-3977

(952) 887-3855

PLEASE POST

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INTERNATIONAL SOCIETY OF LOGISTICS



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