

Center for Operational Excellence News

JANUARY 2008



Max M. Fisher College of Business The Ohio State University

Introducing the Masters of Business Operational Excellence Program (MBOE)

The Fisher College of Business at The Ohio State University is in the process of creating a distinctive program that will offer high-potential managers for leadership an opportunity to obtain a Masters of Business in Operational Excellence (MBOE). This unique one-year program offers short intense periods of learning on campus with students taking that knowledge and translating it to their company's processes.

Ohio State's operations group is uniquely qualified to bring this program to fruition. In 2006, the operations management program was ranked sixth in the world by the "Wall Street Journal," while its undergraduate operations program ranked fourth in "U.S. News & World Report" in 2007. By combining these distinctions with the national reputation of the Center for Operational Excellence (COE) the program will create a productive learning environment for students.

The world of operational excellence is rapidly growing and by creating this unique program Fisher College and The Ohio State University can take the lead in providing graduates who can globally revolutionize operational excellence.

If you have a high-potential manager who might be a good candidate for this program, please contact Peg Pennington at (614) 292-3081 or pennington.84@osu.edu.

From the desks of Peter Ward and John Dix

Variety and value are two words that don't always work together in business. It seems the more variety, and therefore more complexity, the lesser the value due to the cost of complexity.

The Center for Operational Excellence (COE) and its 28 member companies have found that variety brings extra value. As the COE has grown it has expanded the diversity of the industries represented.

This variety of companies brings perspectives and experiences of a talented and proven cadre of professional managers. Our member companies bring their own strengths and weaknesses. Engaging and facilitating interaction between our member companies usually results in exposure to ideas and processes that had never before been considered. It is gratifying for us to witness the "lights go on" when member companies share and exchange meaningful information and processes.

Associates of our member companies gain insight at the quarterly professional development seminars and frequent forums. When those scheduled activities result in subsequent meetings of two or more companies, visiting and sharing with each other, the value of sharing and learning multiplies dramatically.

The Center staff is always available to facilitate inter-company visits and meetings that can add additional value to your membership. Think about how the variety and value of the COE has worked for your company and how moving forward your company can leverage the variety and value of the Center for Operational Excellence. We are your partner in adding value!

Best wishes for a prosperous 2008.



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Welcome Owens Corning

The Center for Operational Excellence (COE) is pleased to welcome Owens Corning as our newest member company. Owens Corning specializes in insulating systems, composite solutions, roofing and asphalt, as well as other building materials and services. They have more than 19,000 employees in 26 countries with annual sales over \$6 billion. Owens Corning has been a member of the Fortune 500 list for 53 years – since its inception.

Owens Corning is looking forward to networking opportunities with other member companies, sharing with and learning from other COE companies strategies on achieving high performance.

David Johns, who is senior vice president, chief information officer and chief supply chain officer, joins as the board member representing Owens Corning. He is

responsible for the Supply Chain and Technology Solutions (SCTS) organization. SCTS includes all of the Owens Corning customer services centers, global logistics, manufacturing technology, project portfolio management and information systems – the latter of which ranked 62nd in the 2006 Information Week 500 and 5th on the 2005 Baseline 500. Johns has extensive managerial and technical experience involving global supply chain activities, large-scale systems design and development, and other technology related activities.

We look forward to having David Johns and his associates from Owens Corning join and participate in our Center activities. Please feel free to welcome him and Owens Corning at david.l.johns@owenscorning.com.

Again, welcome Owens Corning.

Member Companies in the News

Coca Cola announced that Muhtar Kent will succeed current CEO Neville Isdell when he retires this July. Kent is a 20-year veteran at Coke, spending the bulk of his career working abroad. He has a strong background in operations, eliminating inefficiencies within the company divisions.

Congratulations to member company **Ohio State University Medical Center** (OSUMC). TechColumbus recently held their TopCat Innovation Awards program. OSUMC was named a finalist in the Outstanding Technology Team category for their PatientLink Team. PatientLink is a secure, HIPAA compliant e-mail system that allows patients to communicate with their physician electronically. An innovative feature of PatientLink captures all exchanges between patient and physician and records them in the patient's lifetime medical record. PatientLink is one part of OSUMC moving to an electronic medical record system. Additionally, OSUMC received a Hospital of Choice Award presented by the American Alliance of Healthcare Providers. The award goes to hospitals that have a proven track record in patient care and for developing collaborative relationships with physicians and other health care organizations in the community. OSUMC was one of 110 hospitals to receive this award and the only one in central Ohio. Finally, OSUMC was named one of the "Best Places to Work" in the recent Business First survey. OSUMC placed second in the large company category. The results were based on employee surveys rating multiple areas of workplace satisfaction.

Longaberger recently made changes to their top management with Tami Longaberger, stepping in as CEO, while

Jim Gimeson stepped down. Gimeson cited personal family issues as the reason for his departure. Longaberger said that the company is revamping its sales/marketing force, home consultant program as well as implementing other changes to focus more on their sales efforts. The company is looking forward to increased sales in 2008.

Business First recently profiled general demographics and statistics for central Ohio. One category summarized was the largest foreign-owned operations in central Ohio. Organizations featured included the following COE member companies, **Mettler Toledo**, based in Westerville; as well **BI Roxane Laboratories** and **ABB Industrial Systems**, both based in Columbus. They also ranked the top 100 employers by number of full-time employees, several other member companies were profiled including:

- **Ohio State University Medical Center**, 2nd
- **Cardinal Health Inc.**, 18th
- **Abbott Laboratories**, 34th
- **The Scotts Company**, 48th
- **BI Roxane**, 52nd
- **Lancaster Colony Corp. (T. Marzetti)**, 54th
- **Crane Group Company**, 67th
- **Mettler Toledo**, 73rd
- **Diamond Innovations**, 97th

The Columbus Zoo and Aquarium recently thanked several of our member companies for their philanthropic support; they included **Cardinal Health**, **Coca Cola Bottling Company of Ohio/Kentucky** and **Gordon Food Service**.

What's on Our Members Reading List

"*The Five Dysfunctions of a Team: A Leadership Fable*",
by Patrick M. Lencioni

From the introduction "Not finance. Not strategy. Not technology. It is teamwork that remains the ultimate competitive advantage, both because it is so powerful and so rare."

In "The Five Dysfunctions of a Team" Patrick Lencioni offers a leadership fable that is engaging and instructive. He turns his storytelling toward the fascinating, complex world of teams.

Kathryn Petersen, Decision Tech's CEO, faces the ultimate leadership crisis: Uniting a team in such disarray that it threatens to bring down the entire company. Will she

succeed? Will she be fired? Will the company fail? Lencioni's gripping tale serves as a timeless reminder that leadership requires as much courage as it does insight.

Throughout the story, Lencioni reveals the five dysfunctions which go to the very heart of why teams — even the best ones — often struggle. He outlines a model and steps that can be used to overcome these common hurdles and build a cohesive, effective team. Just as with his other books, he offers another powerful yet deceptively simple message for all those who strive to be exceptional team leaders.

Please submit your favorite business reading to fishercoe@osu.edu.

COE Upcoming Events

January 31, 2008 3:30 p.m.-7:30 p.m.
SUPPLY CHAIN FORUM

Jason Amaral, Emeraldwise Consulting
"The Outsourcing Game"

February 1, 2008 8:00 a.m.-12:00 p.m.
SUPPLY CHAIN FORUM

Jason Amaral, Emeraldwise Consulting
"The Outsourcing Game"

To register for the above forums, please contact Jackie Grueser at (614) 292-1275 or e-mail at Grueser.1@osu.edu.

February 22, 2008
PROFESSIONAL DEVELOPMENT SEMINAR
(COE Members Only)

Bill Carter, Executive Vice President and CFO
Hexion Specialty Chemicals, Inc.
"Managing the Merger Process"
10:30 a.m. -12:30 p.m.

February 22, 2008
PROFESSIONAL DEVELOPMENT SEMINAR

Jack Hockema, President and CEO, Kaiser Aluminum
"Kaiser Production System: A Key Initiative in Transforming Corporate Culture"
1:30 p.m.-3:30 p.m.

May 1, 2008
WOMEN IN OPERATIONS EXCELLENCE

Lynn Kelley, PhD., Vice President Six Sigma
"Women Leaders and Operational Excellence"
Textron, Inc.

May 2, 2008
PROFESSIONAL DEVELOPMENT SEMINAR
(COE Members Only)

Sam Torrence, President and COO, Just Born
Mark McLaughlin, VP Human Resources, Just Born
"Lean Thinking at Just Born"
10:30 a.m.-12:00 p.m.

May 2, 2008
PROFESSIONAL DEVELOPMENT SEMINAR
1:00 p.m.-3:00 p.m.

Coming October 2008
WOMEN IN OPERATIONS EXCELLENCE

Julia Stewart, Chair and CEO of IHOP
(Date and time TBD)

Mark your calendar for future quarterly seminars:

- *September 19, 2008*
- *December 5, 2008*
- *February 13, 2009*

To register for professional development seminars, visit our website at <http://fisher.osu.edu/centers/coe/register-for-events/> or call Jackie McClure at (614)292-3199.

COE Professional Development Seminar

February 22, 2008

Morning Session

“Managing the Merger Process”

Bill Carter

Executive Vice President and CFO
Hexion Specialty Chemicals, Inc.

Hexion Specialty Chemicals has experienced tremendous growth recently, partly due to mergers with other companies. Bill Carter, executive vice president and CFO, at Hexion Specialty Chemicals, Inc. will share how Hexion has managed to successfully merge companies and cultures with a positive impact on the bottom line.



Carter has served as Executive Vice President and Chief Financial Officer of Hexion Specialty Chemicals, Inc., since 1995. He is responsible for the company's treasury, financial control and reporting, tax, mergers and acquisitions finance functions. Based in Columbus, Ohio, Hexion is the world's

leading supplier of thermoset resins, adhesives and coatings for the global wood, industrial and specialty markets. Formed in 2005 by the merger of four companies, Hexion employs more than 7,500 associates and has 118 manufacturing and distribution locations around the world serving key global markets.

Prior to joining Hexion, Carter served as the Price Waterhouse LLP Engagement partner for Borden Chemical, one of the companies that merged to form Hexion.

Carter received his bachelor's degree in accounting from Ohio State University in 1974 and is a Certified Public Accountant. He is a member of the American Institute of Certified Public Accountants, the Ohio Society of Certified Public Accountants and Financial Executives International.



Hexion™ Specialty Chemicals is the world's largest producer of thermoset resins. The second-largest North American-based specialty chemicals company, Hexion generated 2006 sales of \$5.2 billion through its leading positions across various end markets and geographies.

www.hexionchem.com

Afternoon Session

"Kaiser Production System: A Key Initiative in Transforming Corporate Culture"

Jack Hockema

President and CEO, Kaiser Aluminum

Kaiser Aluminum began its lean journey more than a decade ago in an effort to reduce costs and improve product quality. Despite benefiting from a step-change improvement in results, management concluded that the potential for further improvement was significant. As a result, the company chartered the Kaiser Production System, a key initiative to transform the corporate culture and to enhance the company's competitiveness. Hockema, chairman, president and CEO, will discuss how he and his team developed a framework for planning, leading, achieving and sustaining improvement that is now core to the company's strategy.



Hockema has served as president and CEO since October 2001 and chairman of the board of directors since July 2006.

Previously, he served as executive vice president of Kaiser Aluminum and president of Kaiser Fabricated Products. In this capacity, he was responsible for sales and manufacturing operations for the

company's engineered products and the flat-rolled products business units.

Prior to joining Kaiser in 1995, he was the principal in a metals industry management consulting and investment advisory firm. Hockema holds a master of science degree in industrial management and a bachelor of science degree in civil engineering, both from Purdue University.

Kaiser Aluminum is a leading North American manufacturer of fabricated aluminum products serving aerospace, ground transportation, general engineering and custom industrial markets with annual sales of \$1.3 Billion and 2600 employees. Kaiser Aluminum is a recognized leader in their markets driven by their “Best in Class” initiative to continuously provide customers the best available service, quality, delivery, lead-time and product offering. Their commitment to the pursuit of excellence is evident through their efforts to expand, enhance and deploy the Kaiser Production System.

www.kaiseral.com

COE Speaker Topics Survey

As the COE plans for future professional development seminars, it's imperative that we schedule speakers that address the key business issues facing our member companies. In order to understand what topics and/or speakers are relevant to your business challenges we will be electronically sending you a short questionnaire.

Your feedback on this questionnaire will help us determine relevant topics and provide insight for scheduling speakers.

We continuously strive to provide programs that provide information to help you continue to improve your operational excellence programs.

Women Leaders of Operational Excellence Forum



The Center for Operational Excellence (COE) is pleased to host Lynn Kelley, PhD, as our next speaker in the Women Leaders in Operations Excellence on **May 1, 2008**.

Kelley is vice president of Six Sigma, at Textron, Inc. In this key leadership role she is responsible for driving the ongoing deployment of Six Sigma and continuous improvement across all

Textron business units, including Bell Helicopter, Cessna Aircraft, E-Z-GO, Jacobsen and others. She is a member of the Textron Transformation Leadership Team, a Corporate Officer and a Textron Six Sigma Master Black Belt.

Kelley began her Textron career at Textron Fastening Systems in 1999, where she held various positions, including vice president, Continuous Improvement and acting vice president of Strategic Planning. She spent time at Textron Fluid & Power and had various international assignments. As Performance Solutions Manager for Textron University, Kelley led the development and

deployment of new courses for Textron Six Sigma, lean and integrated supply chain, supporting Textron's heightened focus on talent development.



master's degree in quality and operations management at Madonna University, School of Business, Livonia, Mich.

Kelley holds a PhD from Wayne State University, an MBA from Michigan State University Executive MBA Program and a BBA in Business Management from the University of Detroit-Mercy. She has published books in the fields of statistics and operational excellence.

To register for this informative and dynamic presentation contact Jackie Grueser at (614) 292-1275 or e-mail at Grueser.1@osu.edu.

Prior to joining Textron, she was professor, department chair and director of the

Six Sigma Challenge Team Reception

Join the Six Sigma Challenge Team on Wednesday, **February 6th, 2008 from 3:00 p.m. to 4:00 p.m.** for their Six Sigma project presentations at a special reception on The Blackwell Hotel Lobby Level at The Ohio State University.

The Six Sigma Challenge Team is an elite group of students that have a special interest in operations management; however, students come from a diverse background of majors. In 2006, this course was offered for the first time and was the first in the nation to offer Six Sigma certification to undergraduate students. Currently, the students are in a follow up course, which allows them to implement the learned Six Sigma techniques in an operations project. The goal of each team is to successfully pilot a Six Sigma project within a chosen company to become eligible to receive Green Belt certification. They will be discussing their projects as well as looking for internships and networking opportunities. Mark your calendars to attend this enlightening event.

Center for Operational Excellence Member Companies

- ABB Inc.
- Abbott Laboratories
- BI Roxane, Inc.
- Cardinal Health
- Coca-Cola North America
- Crane Plastics Company
- CSC Worldwide
- Diamond Innovations, Inc.
- Emerson Climate Technologies
- Goodyear Tire and Rubber/Exel
- Gordon Food Service
- Greif Inc.
- Hexion Specialty Chemicals
- Kaiser Aluminum
- Lancaster Colony Corporation
- The Longaberger Company
- Mettler Toledo
- New Product Innovations, Inc.
- Ohio State University Medical Center
- Ohio Willow Wood Company
- Owens Corning—*new member*
- Rolls-Royce Energy Systems, Inc.
- The Scotts Company, LLC
- Sonoco-Phoenix Corporation
- The Timken Company
- Tinnerman-Palnut Engineered Products
- Tosoh SMD, Inc.

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COE News is published quarterly by COE staff for our member companies.
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Download a PDF version of this newsletter or previous issues from our Web site @
<http://fisher.osu.edu/centers/coe/about-coe/newsletter/>.

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