ANNUAL PERFORMANCE REPORT

CEMM – Center for Excellence in Manufacturing Management

OVERVIEW

The Ohio State University has officially recognized the Center of Excellence in Manufacturing Management (CEMM) since June 1992. Seed money funding from the College of Business was provided in September 1991. The CEMM has strategically planned its approach to build strong partnership relations with its corporate sponsors and has gained corporate and community recognition for the various activities that have been successfully undertaken.

The CEMM made significant progress in 1998 with its threefold mission of education, research and outreach. Awareness of the CEMM continues to increase throughout the business community. The last two Professional Development Programs had a record attendance of approximately 120 participants. Numerous joint academic/industry educational programs were held in 1998, where critical competitive issues faced by manufacturing firms were addressed.

In 1998, the Center increased from nine member companies to twelve select companies. The Center for Excellence in Manufacturing Management welcomes our three new members: American Showa, Crane Plastics, and Lancaster Colony. The CEMM is delighted to have these three companies of such high caliber join the CEMM. We look forward to the knowledge and contributions that American Showa, Crane Plastics, and Lancaster Colony bring to our group.

The Center for Excellence in Manufacturing Management’s goal for 1999 is to increase its membership to a maximum of 15 companies. The staff and faculty of the CEMM look forward to working with all its member companies in their pursuit for world class excellence.
EDUCATIONAL PROGRAMS IN 1998

Quarterly Professional Development Programs


During the year, there was a continuation of increased participation from member companies, invited guest companies, and OSU faculty. Topics for the quarterly programs were developed from member interest surveys. Objectives for 1999 are to deliver a continuation of current topical information in an interesting and educational format. As in 1998, another goal is to attract additional guests from the member companies who will benefit from the meeting topics and will facilitate the transfer of learning to member company organizations.

CEMM Job Fair

The Center sponsored its first annual Job Fair at the Ohio Union on October 15, 1998. The participating companies were ABB, Crane Plastics, Pretty Products, Scotts, T. Marzetti, Timken, and Oasis. Representatives from the Fisher College of Business Career Services were also present at the Job Fair. The Job Fair attracted more than 220 students studying in the following disciplines: Operations and Logistics Management, Human Resources, Finance, Marketing, Engineering, Information Systems, and Food Science.

Student Interns

During 1998, several member companies successfully utilized the Ohio State University’s student intern and job placement services as well as MBA case study programs. Our goal for 1999 is to increase member company participation in both student intern and job placements through The Ohio State University.
**Sponsor Presentations to College Educational Programs**

“Laura Blum, Manufacturing Project Leader, Tosoh SMD, Inc., spoke on May 21 to students in the MBA Manufacturing Planning and Control Systems course. Her topic was “Rhythm Scheduling Software”.

“Bill Bryan, Manager, Sync Flow Project, Timken Corporation, spoke on May 21 to students in the MBA Manufacturing Planning Systems course. His topic was “Synchronous Flow”.

The Center for Excellence in Manufacturing Management extends its appreciation to Ms. Blum and Mr. Bryan for the time and efforts in sharing their knowledge with OSU’s MBA students.

**Development of Supervisory Leadership Program**

In cooperation with **Tosoh SMD, Ross Products, and Timken**, the CEMM and OSU’s Executive Education group designed a Supervisory Leadership Program. The objectives of the program have been designed to accomplish the following:

- Prepare employees for advancement
- Keep people current about business topics
- Develop a common language among supervisors/leaders
- Gain exposure to new academic topics
- Network with leaders from other companies
- Develop leadership skills
- Introduce business ‘know how’ to technical staff
- Offer a refresher course for current managers and supervisors

The program content consists of the types of topics shown below:

- Leadership
- Human Resources
- Customer and Supplier Relations
- Marketing
- Logistics
- Finance and Accounting
- Operations
- Business Law
- Communication Skills

Representatives from five member companies are participating in the program. The CEMM and the Executive Education group greatly appreciate the efforts set forth by three of our member companies (Tosoh SMD, Ross Products, and Timken) to design this program.
OUTREACH ACTIVITIES IN 1998

Membership Development

The Center for Excellence in Manufacturing Management welcomes our three new members: American Showa, Crane Plastics, and Lancaster Colony. The CEMM is delighted to have three companies of such high caliber join the CEMM. We look forward to the knowledge and contributions that American Showa, Crane Plastics, and Lancaster Colony bring to our group.

American Showa

Michael Bowers, Vice President of the Blanchester (Ohio) Operations, represents American Showa on the CEMM Advisory Board. American Showa produces component parts for the transportation industry (automotive, motorcycle, ATV, marine, and railway). Its principal products include shocks, struts, rack & pinion steering, pumps, and hydraulic tilt & trim systems (marina). American Showa employs approximately 1,100 people in the United States and has annual sales of $293 million.

Crane Plastics

Phil Stobart, Senior Vice President of Operations, represents Crane Plastics on the CEMM Advisory Board. Crane Plastics has annual sales of over $150 million and employs over 700 people in the Columbus, Ohio area. Its principal products include vinyl siding, proprietary products—composite backing, Gutterguard, sea wall retaining system, and custom components. Its customers include Anderson Windows, Pella, and Herman Miller Office Furniture.

Lancaster Colony

Thomas Deschler, Vice President of Manufacturing, represents Lancaster Colony on the CEMM Advisory Board. Lancaster Colony operates in three business segments—specialty foods, glassware and candles, and automotive. The food products manufactured and sold by Lancaster Colony include salad dressings, sauces, frozen unbaked pies, refrigerated chip and produce dips, dairy snacks and desserts and dry egg noodles. Lancaster Colony also produces Glass products. The Glass products include a broad range of machine pressed and machine blown consumer glassware and technical glass products such as cathode ray tubes, lighting components, lenses and silvered reflectors. Candles and other home fragrance products of all sizes, forms and fragrance are primarily sold in the mass merchandise markets as well as to supermarkets, drug stores and specialty shops under the name “Candle-Lite”. Lancaster Colony also manufactures a complete line of rubber, vinyl and carpeted car mats both in the after market and to original equipment manufacturers. Other automotive products include pickup truck bed mats, running boards, bed liners, tool boxes, and other accessories for pickup trucks, vans and sports utility vehicles. Lancaster Colony employs approximately 6,400 people throughout the United States.
New Faces to the Advisory Board in 1998

Johns Manville: Stephen Bell, Director of Manufacturing, North America, will represent Johns Manville’s Engineered Products Division on the CEMM Advisory Board.

Tosoh SMD: Larry Murphy, Vice President-Operations, will represent Tosoh on the CEMM Advisory Board.

Ohio State University: Paul McSweeney, Director of the Office of Industrial Outreach, joined the CEMM Advisory Board in 1998. Mr. McSweeney has been an avid supporter of the CEMM, which has resulted in valuable exposure to many companies throughout the state.

Membership Development Committee

A committee was formed in December 1998 to help the CEMM with policy issues concerning membership development. The ultimate size and membership composition of the Center are issues that have been of concern to the Advisory Board and the Center staff during the past year. We appreciate the time and efforts of the following Advisory Board members who have agreed to serve on this committee: Michael Bowers (American Showa), H. Roger Ellis (Timken), Al Herold (Mettler-Toledo), and Mike Lukemire (Scotts).

The principal functions of the Membership Committee are to provide membership policy recommendations to the CEMM Advisory Board, and to provide focused support in developing and attracting new members to the Center for Excellence in Manufacturing Management. The committee will meet at least three times per year, and its membership will rotate on a staggered two-year basis. The Membership Committee will provide recommendations for company membership and assist in recruiting prospective member companies. The Center Co-Directors, Bill Berry and John Dix, will chair this committee.

Company Sounding Board Session

The following companies held sounding board sessions facilitated by the CEMM to discuss issues directly affecting their operations:


The CEMM encourages all member companies to utilize the Center’s resources in facilitating Sounding Board Sessions.

Networking Groups

In July 1998, a Networking Group was formed to share data related to employee turnover, acceptance rates of employment offers, and employee absenteeism. This group of representatives from member companies generates and shares ideas to improve employee retention and absenteeism in their organizations. The group meets approximately every two months and is facilitated by David Greenberger, Associate Professor and Chair, Management & Human Resources.
**RESEARCH PROGRAMS IN 1998**

**Current CEMM Research Projects**

**Benchmarking the Best**

This project is undertaken in partnership with *Industry Week*. Data from 145 past winners and finalists from *Industry Week*'s annual Best Plant Program have been collected in a single database. Analysis of the data across time periods reveals what this group of acknowledged excellent plants have in common and allows benchmarking against the standard set by these plants. The database will be a product belonging to *Industry Week*. A final report to *Industry Week* has been shared with CEMM members. Customized cuts at the data for benchmarking purposes have been made by CEMM at the request of member companies.

These data are also being used for scholarly research. Associate Professor Peter Ward and Ph.D. student Rachna Shah have drafted a paper in preparation for journal submission. The paper draws on theory to develop a conceptual model of lean manufacturing behaviors and compares IW Best Plant winners to this model. In addition, the researchers draw some general conclusions about the behaviors and performance of top-flight manufacturers and compare them with norms from industry at-large. A presentation was made by George Taninecz from *Industry Week* and Peter Ward, Associate Professor to member companies prior to the Quarterly Professional Development meeting on December 4, 1998.

**Linking Marketing and Manufacturing Strategies**

This project was formed as a partnership with the international consulting and accounting firm, Deloitte Touche, and several leading academics from other universities. The initial phase of the project is a survey of 260 U.S. and 100 European businesses regarding the management of the marketing-manufacturing interface, the nature of inter-functional cooperation, and the use of performance metrics.

The research team includes Bill Berry, Peter Ward, and Tom Wallace from OSU, Jay Klompmaker from University of North Carolina, and Terry Hill and Kate Blackburn from London Business School. U.S. data collection is being executed by OSU’s Survey Research Unit. The researchers currently have about 200 pairs of U.S. responses. European data are being collected through London Business School.

**Research Issues**

Functional silos exist between the marketing and manufacturing functions in many manufacturing firms that limit a company's effectiveness in both strategic business planning and operational activities.

In strategic planning, serious mis-alignment can occur in a firm's marketing and manufacturing strategies, restricting its competitive efforts in the marketplace. Often this occurs because different views and customer requirements are held by the marketing and manufacturing functions. Further, major investments in manufacturing capabilities are not debated considering both marketing and manufacturing perspectives.

In operational activities, poor coordination between the marketing and manufacturing functions can result in poor customer service, excess inventory investment, and excessive cost. Here, improved coordination of capacity planning, customer order promising and inventory management can produce major improvements in operating effectiveness. An important outcome of this program is to provide a diagnostic tool that can be used by companies to assess the extent of this problem and to indicate areas of improvement that can be addressed by the company.
STUDENT ACTIVITIES

APICS/OLM Winter Banquet

The APICS/OLM Winter Banquet held in February at the Westin Great Southern Hotel was a success. Approximately 200 people attended the event—130 executives and 70 students. William Kelley, Chairman and CEO of Consolidated Stores, was the guest speaker. His presentation was, “From $0 to $4 Billion in Eight Years—Taking a Front Row Seat!” Mr. Kelley’s presentation addressed how Consolidated Stores has moved on to the Fortune 500 list and recently into the Standards and Poors 500 through its distribution network, mergers, etc. He also shared his personal experiences in the retail business and his general philosophies about business.

Vlaskamp Scholarship Awarded

The Frederick Vlaskamp Scholarship was awarded to Greg Olbrantz during the APICS Winter Banquet. Mr. Vlaskamp is a 1963 graduate of The Ohio State University with a Bachelor of Science degree. He is the owner and President of the family business, Fenton Foundry Supply, a metal casting foundry supply company based in Dayton. Mr. Vlaskamp recently participated in a delegation of small business people from the foundry industry that appeared before Congress to address the current governmental regulations on that industry.

Greg Olbrantz, an undergraduate student, graduated in August 1998 with a major in Operations Management. At the time of the award, he was a member of the National Golden Key Honor Society, the National Dean’s List, and The Ohio State University’s Dean’s List.

APICS Paper Competition Winners

The CEMM would like to congratulate the following students who were winners in the Local Graduate Student category:


“Strategic Alliance and Vertical Integration: Alternatives for Developing Corporate Strategy” - Levi Bartholomew, Pamela Johnson, Jeff Russell, Scott Sevenish, Nilesh Shah


The CEMM would like to congratulate the following students who were winners in the Local Undergraduate Student category:


“International Freight Forwarders: Adjusting to the Global Marketplace” - Mercedes Moore, Trudi Simons, Ruth Hsu, I Chien Wang, Irene Jahya

“Evolution of Nations: From Farmland to Factory” - Frank Driescharf, Sam Perkins, Alexis Porte, Hackchul Roh
Scholarships

Several scholarships are awarded each year to deserving students who have demonstrated an interest in pursuing a career in the field of Operations Management. Criteria for selection include academic performance and service to the profession. The CEMM would like to congratulate the following OSU students on scholarship awards:

APICS Scholarships

*Mary Blonigen,* a graduate student residing in Hilliard, Ohio. Her major is in Operations and Logistics Management.

*Douglas Houseman,* a graduate student residing in Columbus, Ohio. His major is in Operations and Logistics Management.

*Axel Schult,* a graduate student residing in Columbus, Ohio. His major is in Operations and Logistics Management.

*Bryan Morgan,* an undergraduate student from Lake Orion, Michigan. His major is in Transportation and Logistics/Production Operations Management.

*Trevor Putrah,* an undergraduate student from Faribault, Minnesota. His major is in Operations Management.

CEMM/OLM Scholarships

*Shartia Brantley,* a graduate student from Albany, Georgia. Her major is in Operations and Logistics Management.

*Christopher Gross,* a graduate student from Hudson, Ohio. His major is in Marketing and Operations and Logistics Management.

*Sara Holden,* a graduate student residing in Columbus, Ohio. Her major is in Marketing and Operations and Logistics Management.

*Tanmay Kumar Kar,* a graduate student from Balia, Balasore, Orissa, India. His major is in Operations and Logistics Management.

*Thomas Lynch, IV,* a graduate student from Columbus, Ohio. His major is in Operations and Logistics Management.

*Song Qi,* a graduate student from Shanghai, China. His major is in Operations and Logistics Management.

Frederick J. Vlaskamp Scholarship

*Gregory L. Olbrantz,* an undergraduate student from Zanesville, Ohio. His major is in Operations Management.
OTHER ACTIVITIES IN 1998

CEMM Member Companies and Staff Featured in the Media (see attachments)


*Associate Professor, Peter Ward, was interviewed by Ohio Public Radio on June 22, 1998. The subject of Professor Ward’s interview with Ohio Public Radio was the GM strike.


* ABB Industrial Systems’ Vice President of Manufacturing Ken Morris and Fisher College of Business Associate Professors, Peter Ward and Keong Leong were interviewed by The Columbus Dispatch’s Business Reporter, Ron Carter, and featured in the article “Given the Turmoil, Business Wonders if the World is Still Their Oyster”, October 11, 1998.

* Associate Professor Peter Ward was interviewed by Ron Carter, The Columbus Dispatch Business Reporter, regarding a major turnaround in Ohio Manufacturing Companies. Mr. John Robechek, Mettler-Toledo and Mr. Ken Morris, ABB Industrial Systems, were also featured in this article, in The Columbus Dispatch, “Shaking Off the Rust”, November 15, 1998.

* Professor Bill Berry, the Executive Director of the CEMM, was interviewed by USA Today regarding the GM strike. He is featured in the article, “GM’s Engine of Change Runs Lean on Workers”. (This article is available on file with the CEMM.)