

Business Synergies Soar with APICS Education

APICS training and certification provides game-changing education.

Goals

- Establish a common base of knowledge, skills, concepts and terminology to improve efficiency and performance
- Drive collaboration across the entire value stream
- Encourage more participation in lean and continuous improvement events
- Cultivate talented employees who progress through their careers with the company

Approach

- Standardize best practices and policies across 300 sites and 70,000 employees around the world
- Implement APICS education and training throughout the company's materials management functions

Results

- Delivered a new process for efficient rollout of new policies and procedures across the entire organization
- Improved service levels, reduced unnecessary inventory and provided buffer variation through the implementation of new replenishment standards
- Common business language and terminologies have broken down silos and enhanced collaboration

After the various mergers and acquisitions that created Collins Aerospace, the West Palm Beach, Fla.-based business unit of United Technologies Corporation (UTC) was challenged with realizing the synergies of the group's approximately 300 sites and 70,000 employees around the world. The sites represented a diverse range of corporate cultures, planning policies and practices, organizational structures, and tools and reports. To keep the \$23 billion aerospace and defense (A&D) company growing, leaders knew they had to standardize best practices and policies across the organization.

To reach this goal, executives first wanted to establish a common base of knowledge, skills, concepts and terminology among employees. They realized that the APICS educational and certification programs provided just the training the company needed. In addition, Materials Project Manager Joe Vogt notes that, because other companies in the A&D industry use APICS training, company leaders would be able to benchmark against and network with peers.

In 2017, the company, which was then known as UTC Aerospace Systems, rolled out the APICS Certified in Production and Inventory Management (CPIM) program as its primary materials management and sales and operations planning training for employees.

Initially, the APICS courses were deployed throughout the company's material management functions, educating everyone from the materials leadership team down to shop floor planners. Ultimately, the APICS courses became the foundational training in Collins Aerospace's lean manufacturing system, known as Achieving Competitive Excellence, driving operational improvement and generating customer and shareholder satisfaction.

By offering this training to employees, company leaders hoped to:

- improve efficiency and performance
- encourage more participation in lean and continuous improvement events
- drive collaboration across the entire value stream, rather than operating in functional silos
- develop more mature and sustainable business processes and policies
- create a stronger culture of lean initiatives and continuous improvement focusing on inventory management, production planning and reduced supply chain variation
- cultivate talented employees who progress through their careers with the company.

The training also was intended to serve more specific operational purposes. Collins Aerospace manages \$4.3 billion in inventory, which occasionally includes variation and excess inventory in the supply chain. To rectify this situation, company leaders leveraged CPIM training. "Through the concepts and best practices taught through the CPIM certification, employees have the ability to identify the root cause of the problems, understand how to determine the best way to improve them and implement changes needed to improve the business process," Vogt explains.

FUELING THE KNOWLEDGE BASE

Since the merger with Rockwell Collins in 2018, which officially formed the Collins Aerospace of today, even more APICS certification and educational courses have been added to the organization's roster. In 2019, CPIM courses became required training for key planning roles in order to standardize the knowledge and skills required and enhance inventory management, materials planning and production scheduling. Along with this, Collins Aerospace also offers:

- ASCM Plus memberships, so that individuals can take advantage of webinars, chapter affiliations, the APICS Dictionary and other resources
- APICS Certified Supply Chain Professional (CSCP) and APICS Certified in Logistics, Transportation and Distribution (CLTD) courses on an as-needed basis to support site and individual training needs
- Principles On Demand education.

Collins Aerospace offers the CPIM Part 1 and Part 2 courses on a quarterly basis to allow flexibility in working toward certification. The company releases the class calendar for the full year and allows employees to sign up for whatever classes and quarters best fit with their workloads and training needs. In addition, any time a particular site has more than 10 people interested in taking a course and the participants prefer the condensed timeline of an in-person class rather than online sessions, the company will host on-site CPIM classes.

"Standardization is more achievable because employees speak the same language."

Also in 2019, the company opted to use CPIM, CSCP and CLTD exam credits. The credits have a six-month expiration timeline and also offer the business better visibility into their use. This way, company leaders can track exam rates easily and shorten the time between course completion and exam completion, Vogt says.

So far, about 100 employees have earned their CPIM designations, and another 400 are working toward certification. The company also has multiple APICS classes and training programs on the calendar for 2020.

THE SKY'S THE LIMIT

After implementing APICS education and training, Collins Aerospace leaders have already seen their initial challenges resolved and enjoyed additional benefits. For example, company leaders now can develop policies and procedures at the corporate level and then roll them out to all other business units. "In the past, business units, and in some cases individual sites, all had their own sets of policies and operating procedures that they adhered to because of the differences we had in how we operated from site to site," Vogt explains. "Now, standardization is more achievable because employees speak the same language."

In 2017, Collins Aerospace tapped external consultants who specialize in effective materials planning in SAP to help incorporate APICS education into the company's enterprise resources planning system. The focus was primarily on master data integrity, efficient portfolio management, exception monitoring, and both strategic and tactical materials planning. The common understanding among the sites, as well as additional knowledge gained from CPIM courses, enabled company leaders to develop a set of seven standard replenishment policies for raw materials inventory for all of its manufacturing sites. These standards help improve service levels, reduce unnecessary inventory and provide buffer variation.

In addition, common business language and understanding of best practices have helped break down silos and encourage sites and business units to collaborate and develop the best processes and solutions for the entire supply chain.

CPIM training also encouraged company leaders to place a greater emphasis on key performance indicators (KPIs). Previously, KPIs were only seen and used at the leadership level. Now, because more employees understand KPIs and their importance in monitoring business health, KPI progress has been made visible all the way down to the shop floor, giving employees more awareness of and accountability for their site's performance. In addition, company leaders have created a comprehensive KPI dashboard that provides visibility into key metrics and data.

Vogt says he also noticed more idea generation, improved standard work overall, and a culture shift in terms of lean thinking and problem-solving as a result of the APICS education and training programs. "In the past, most of our sites had a culture of the Band-Aid or firefighter approach, only fixing the immediate cause of a problem," he says. "As our workforce becomes more educated through the APICS training, we are now more focused on finding and solving the root cause of a problem as well as taking a more proactive and strategic approach to eliminating issues before they happen."

About ASCM

The Association for Supply Chain Management (ASCM) is the global leader in supply chain organizational transformation, innovation and leadership. As the largest non-profit association for supply chain, ASCM is an unbiased partner, connecting companies around the world to the newest thought leadership on all aspects of supply chain. ASCM is built on a foundation of APICS certification and training spanning 60 years. Now, ASCM is driving innovation in the industry with new products, services and partnerships that enable companies to further optimize their supply chains, secure their competitive advantage and positively impact their bottom lines. For more information, visit ascm.org.

Interested in aligning your organization with ASCM?
Contact us at CorporateDevelopment@ascm.org