

Third International Conference

Product Development and the Supply Chain

Collaborative Product Design & Supplier Development

January 29-30, 2001 | Phoenix, AZ

A two-day conference on leveraging the supply chain for competitive advantage through the successful selection and implementation of **collaboration strategies, cost reduction methodologies** and **web-based tools**

Learn:

- ▶ How **Hewlett-Packard** uses the internet to support its increasingly complex value delivery network and to optimize investment returns
- ▶ About **Honeywell's** successful process for managing cross-functional development
- ▶ How **Ericsson** uses cost measurement on a global basis to evaluate supply chain operational effectiveness
- ▶ How **DELL Computer** is extending its Direct Model business strategy to product development
- ▶ About **Raytheon's** "Six Sigma with Suppliers Process" that leverages supplier technical expertise with 10 proven cost reduction tools
- ▶ How **Saturn** manages quality and production issues with suppliers through its "CAST" System
- ▶ How **Deere & Company** is bringing lean techniques to its supply base, yielding broad improvements in cost, delivery, downtime and quality
- ▶ How **GM Powertrain's** strategic analysis framework dissects its product lines, technologies, and supply chain to create a value-chain map
- ▶ About **Motorola's** challenges and future strategies of supplier integration into new product development

www.ManagementRoundtable.com





Agenda

Monday, January 29

- 7:00 – 8:00 **Conference Registration and Continental Breakfast**
- 8:00 - 12:00 **Pre-Conference Workshop**
Dr. Charles Downey, Practice Leader and Michael Leach, Director, eCPC, PricewaterhouseCoopers LLP
- 12:00 – 1:00 **Lunch (for Workshop participants) / Exhibits**
- 12:00 – 1:00 **Conference Registration**
- 1:00 – 1:15 **Welcome, Management Roundtable**
- 1:15 - 2:15 **Keynote Address: Successfully Leveraging Technology & Shifting Business Models in a Competitive Landscape**
Dr. Corey Billington, Executive Director of Supply Chain Organization, Hewlett-Packard
- 2:15 – 3:15 **Extending DELL's Direct Model to Product Development Via Supplier Collaboration Tools** - *Michael Pizinger, Director of Engineering Operations, DELL Computer*
- 3:15 – 3:30 **Refreshment Break / Exhibits**
- 3:30 – 4:30 **The Advantages of Creating a Lean Supply Base**
R. David Nelson, VP of Worldwide Supply Chain Management, Deere & Co.
- 4:30 – 5:30 **Value Chain Strategy in the Automotive Industry**
Dr. Roger Vardan, Manager, Strategy Development Group, GM Powertrain
- 5:30 – 7:30 **Networking Dinner / Sponsored Breakout Sessions / Exhibits**

Tuesday, January 30

- 7:00 – 8:00 **Continental Breakfast / Exhibits**
- 8:00 – 9:00 **Collaboration Means You – Not the Other Guy!**
Terry Suelman, VP of Global Supply Chain Management, Honeywell Electronic Materials
- 9:00 – 11:15 **Tutorial: From Supply Chains to Value Nets**
Joseph Martha, Vice President, Mercer Management Consulting
- 11:15 – 12:15 **Quantifiable Product Cost Reduction With Critical Suppliers**
Collin Reeves, Supplier Technical Consultant, Raytheon
- 12:15 – 1:30 **Luncheon / Exhibits**
- 1:30 – 2:30 **Learnings from Global Implementation of the Supply Chain: Cost Measurements within Ericsson Mobile Systems**
Birgitta Häard, Supply Management Business Controller, Ericsson Radio Systems AB
- 2:30 – 2:45 **Refreshment Break**
- 2:45 – 3:45 **Supplier Integration into New Product Development: The Impact of B2B** *Robert Handfield, Bank of America University Distinguished Professor of Supply Chain Management, North Carolina State University; Michael E. Slomke, C.P.M., Director, Supply Chain, Motorola SPS*
- 3:45 – 4:45 **Supplier Partnerships Promote Quality at Saturn** *Dan McDonald, VP of Purchasing, Product Control and Logistics, Saturn Corporation*
- 4:45 **Closing Remarks, Management Roundtable**

Background and Purpose

Efficient and well-designed supply chains are integral in the race to get new, customized products to market faster. Companies with virtual supply chains significantly outpace most vertically integrated companies with their ability to substantially cut costs and respond to changing markets and products with speed and agility. By the same token, well-designed products are critical to supply chain effectiveness.

Industry leaders are discovering that collaborative product design is increasingly more attainable with the arrival of web-enabled collaboration tools. You will hear keynote speaker, **Corey Billington** of **Hewlett-Packard** and **Michael Pizinger** from **DELL Computer** describe the benefits of their respective supply chain technology advancements and the impact on market value.

Developing flexible and value-added supplier partnerships is a key ingredient for achieving successful collaborative product design and rapid cost effective new product launch capability. Hear industry practitioners provide hands-on explanations of successful implementation processes for increasing and fostering communication/collaboration amongst engineering and purchasing. The paybacks gained by companies investing wisely in lean supplier training combined with early supplier integration will become vividly apparent.

Key Deliverables

By participating, you will learn:

- Case studies and exclusive survey results
- Roadmaps outlining how to determine complexity, risk, the optimal time to integrate suppliers, how to assess supplier capabilities and how to identify, rank and track cost reduction ideas
- Bonus tutorial, led by Joseph Martha, co-author of *Value Nets: Breaking the Supply Chain to Unlock Hidden Profits*, on how to shift your business model to achieve greater profitability
- Breakout sessions and networking groups offering additional opportunities to answer your specific questions

"The conference was extremely well organized and presented. A step by step model that can be incorporated and applied within our partnering strategy. Excellent."

Mike White,
Director of Purchasing,
Maytag Cleveland
Cooking Products

"MRT is a living portal of knowledge and networked relationships to help executives and management filter choice for finding solutions through clearly communicating via educational seminars and electronic media."

Michael Blicher,
Director of Cross
Group Modules,
Magna International

"Excellent conference. Speakers presented real-time concepts and philosophies."

Safir Adeni,
Corporate Director
of Supply Chain
Management,
York International

"Products and services exist to expand choice. Brands exist to simplify choice. In a crowded, over conferenced world, MRT provides an effective platform for learning the latest product, service and business management innovations from leading experts. MRT makes the decision on what conferences to attend simple."

John Waraniak,
Director,
Magna International

Monday — January 29

Pre-conference Workshop 8:00am-12:00pm

eCPC — Vision and Selection

Dr. Charles Downey, Practice Leader — eCPC, PricewaterhouseCoopers LLP;
Michael Leach, Director — eCPC, PricewaterhouseCoopers LLP

Collaborative Product Commerce continues to evolve as web-based integration becomes reality and enables collaboration across the extended supply web. The early web opportunities of indirect materials procurement, order processing, customer service, etc. are being exploited by many forward looking companies. Although these successes have generally improved productivity and created a more competitive environment, this new environment has also created challenges that include:

- The need for faster communications – internally and externally
- The need for faster response times: design – manufacturing – distribution
- The need for more accurate, real-time data: design – manufacturing – distribution
- The need for improved knowledge management – across the supply chain

The leading companies of tomorrow will be those that leverage the strategic and infrastructure initiatives they have completed over the past few years and aggressively move forward to embrace new technologies to meet the above challenges.

While there are many attractive solutions to meet the collaborative product commerce challenge, it is important to note that any such initiatives should only be pursued within the framework of an overall plan. Before moving forward toward a collaborative model, management must recognize that you are embarking on a journey – with no defined destination. Understand the big picture and prioritize the initiatives that will provide the most benefit. Define the role of each of the systems that may be required throughout your journey. Only after you have developed a vision that is reflective of the business objectives and processes, can you embark upon the task of Solution Set selection — and ultimately, implementation.

This workshop concentrates on the issues surrounding the development of the eCPC vision and the subsequent approach to Solution Set selection.

KEYNOTE:

Successfully Leveraging Technology & Shifting Business Models in a Competitive Landscape

Dr. Corey Billington, Executive Director of Supply Chain Organization, Hewlett-Packard

A leading pioneer in supply chain management, Dr. Billington depicts Hewlett-Packard's (HP) transformation from a product oriented to a customer oriented business model. The customer focused business model paves the way for HP to increase market share along with its breadth and width of product offerings. By leveraging Internet use to support its increasingly complex value delivery network, HP has optimized investment returns and maximized shareholder value. Learn more about how to leverage the Internet in supply chain management for competitive advantage.

■ Extending DELL's Direct Model to Product Development via Supplier Collaboration Tools

Michael Pizinger, Director of Engineering Operations, DELL Computer

Mr. Pizinger provides an overview of the deployment of supplier-collaborative tools in DELL's world class product development organizations. Learn how Dell will integrate these systems to interact with vendors on a real-time basis as well as provide programmatic feeds to their regional MRP systems. The success of Dell's Direct Model is not only limited to its interactions with external customers. Learn about how Dell's excellence in supply chain management is enhanced by use of the Internet and is a natural extension of its business strategy.

■ The Advantages of Creating a Lean Supply Base

R. David Nelson, VP of Worldwide Supply Chain Management, Deere & Co.

For more than a decade, companies have been implementing lean manufacturing practices for competitive advantage. Today, 70 - 80 percent of product costs come from outside due to company focus on asset management and core competencies. Hear how investing resources in and extending lean knowledge and expertise to the supply base can provide huge paybacks. Once your suppliers are lean, there is greater value in integrating them sooner into product development and other business processes. This presentation discusses how the combined efforts of effective supplier development, integration and training can create a lean supply chain yielding broad improvements in cost, delivery, downtime and quality.

■ Value Chain Strategy in the Automotive Industry

Dr. Roger Vardan, Manager, Strategy Development Group, GM Powertrain

We are in an era in which technologies and supply chains are evolving at different rates. Companies must reinvent both their products and their supply-chains to remain competitive, and they must achieve this simultaneously. Toward this end, large, established, vertically integrated industries, like the automotive industry,

are quickly moving towards a more horizontal supply-chain model. The real challenge today is to focus the enterprise on the most important, value-adding competencies and the highest clockspeed technologies. Additionally, the ability to create a value-optimized web of supply-chain partners will become an increasingly critical success factor.

Dr. Roger Vardan of GM Powertrain will present a case history of the Strategic Value Chain framework and its application at GM Powertrain. GM Powertrain, a global supplier of engines and transmissions for the automotive and marine industries, undertook a strategic reevaluation of its own value chain. Working in partnership with Prof. Charlie Fine of MIT Sloan School of Management and PRTM Consulting, GMPT is employing a new strategic analysis framework to dissect its product lines, technologies and supply-chain to identify the most attractive value domains. The resulting value-chain map is enabling GM Powertrain to chart a series of strategic moves to optimize its position within the overall automotive value chain.

Management Roundtable would like to thank the following organization for their support of this conference:



Tuesday — January 30

■ Collaboration Means You — Not the Other Guy! Terry Suelman, VP of Global Supply Chain Management, Honeywell Electronic Materials

Rapid cost effective development and launch of new products and services requires a systematic process for the inclusion of cross-functional stakeholders. The supply chain, manufacturing, and development engineering organizations must work closely together for success. Integrating suppliers is also an important success factor. Terry will share his experience in bringing suppliers on-site, developing value-added relationships, and provide the framework for a collaborative cross-functional development process used at Honeywell. Measures of success will be discussed, as well as common obstacles with approaches to resolving them.

Attendees will learn how-to involve the supply chain in new product developments; how-to develop valued-added supplier relationships including establishing resident suppliers; and the elements of a successful process for managing cross-functional developments

■ From Supply Chains to Value Nets - Tutorial Joseph Martha, Vice President, Mercer Management Consulting

How do you change a supply chain that relies on rigid, sequential and tactical processes to meet the customer demands of today's e-world?

In this session, Joseph Martha, co-author of recently published "Value Nets", will describe a new form of business design that uses customer choices to set in motion an agile, fast, and digital network that delivers customer satisfaction and breakthrough financial results. He will address:

- How to deliver customized products preferably bundled with key-value services such as guaranteed delivery or technical support
- How to uncover hidden strategic value in the supply chain
- The five elements of value net creation
- How to optimize supply chain efficiencies
- How to identify true market differentiation and achieve superior profitability and customer satisfaction

Following the presentation, attendees will be invited to join breakout groups where they will be able to design and discuss opportunities to develop Value Nets in their respective companies. During this session, the attendees will be able to learn from others how they are meeting these more stringent operational and customer challenges.

■ Quantifiable Product Cost Reduction With Critical Suppliers Collin Reeves, Supplier Technical Consultant, Raytheon

Historically, companies have focused a great deal of effort on internal cost reduction efforts while largely ignoring the largest component of cost passed on to their customers – the cost of supplied material. This paper discusses the "Raytheon Six Sigma with Suppliers" Process, a demonstrated technique that leverages key supplier technical expertise with ten proven cost reduction tools to significantly reduce development and production costs. Its extremely positive results emphasize the criticality of partnering with suppliers to significantly impact the bottom line. Methodologies for selecting supplier candidates and conducting workshops are augmented with a case study.

- An understanding of when to apply various cost reduction tools throughout the product life cycle.
- A comprehensive process for reviewing cost and performance data to identify supplier cost drivers.
- Exposure to a technique used to identify, rank, and track cost reduction ideas.



Tuesday — January 30 *cont...*

■ **Learnings from Global Implementation of the Supply Chain: Cost Measurements**

Birgitta Häard, Supply Management Business Controller, Ericsson Radio Systems AB

- Defining Supply Chain Cost within the organization
- Initiating and implementing measurement on a global basis
- Utilizing the supply chain cost for competitive advantage
- Evaluating operational effectiveness of the supply chain using cost as a key indicator
- Expectations regarding the results of implementation as well as efficiency within the supply chain

■ **Supplier Integration into New Product Development: The Impact of B2B**

Robert Handfield, Bank of America University Distinguished Professor of Supply Chain Management, North Carolina State University and Michael E. Slomke, C.P.M., Director, Supply Chain, Motorola SPS

Organizations have been quick to realize that involving suppliers in new product / process / service development efforts has the potential for significant results. Numerous studies have highlighted the fact that supplier participation in product development projects can help reduce cost, reduce concept to customer development time, improve quality, and provide innovative technologies that can help capture market share. While such results typically go undisputed, there is mounting evidence that not all efforts are successful. Based on a set of case studies and follow-up survey of worldwide companies, the presenter will share a formal process map for success that includes assessment of supplier capabilities, level of complexity of the technology, and degree of risk. Some of the critical success factors discussed include product/process knowledge of suppliers, design expertise, and the alignment of technology roadmaps with the focal organization. To illustrate implementation strategies and methodologies, Professor Handfield will be joined by Michael Slomke of Motorola. Mr. Slomke will discuss Motorola's challenges and future strategies of supplier integration into new product development. The talk will also highlight some of the key budding technologies

emerging in the B2B space that will facilitate knowledge sharing and rapid development of these integration processes.

■ **Supplier Partnerships Promote Quality at Saturn**

Dan McDonald, Vice President of Purchasing, Product Control and Logistics, Saturn Corporation

In order to maximize its investment in suppliers, Saturn developed the "CAST" system (Consultation, Alternative Analysis, Selection of a new supplier and Transition to a new supplier) to address quality and production issues with suppliers. Saturn implements CAST with a supplier when a formal improvement plan is necessary. This plan includes meetings amongst top supplier leaders and Saturn purchasing leaders to develop and agree upon an aggressive improvement solution plan citing specific time parameters and clear expectations. Learn how Saturn successfully addresses quality and maintains partnership relationships with its suppliers.

Exhibit/Sponsorship Opportunities

A limited number of opportunities are available to sponsor breakout sessions and special events in conjunction with Product Development and the Supply Chain conference. For more information on how you can take advantage of this opportunity to deliver your message face-to-face with decision makers involved in supply chain management contact Beth Schrage at 978.263.9982 or email schrager@ultranet.com.

"...revenues in the world wide market [for supply chain services] will explode from \$25 billion in 1999 to almost \$140 billion in 2004. However, in addition to being larger, the supply chain services market will significantly change in many other ways over the next few years. The projects will become increasingly complex, the number of technology solutions and media available will multiply, the competition will intensify, and clients will have higher expectations" — IDC, September 18, 2000

About Management Roundtable



The Management Roundtable is the leading user-oriented authority on product development. Independent and unbiased, we bring together thought leaders and business practitioners whose common purpose is to define, develop, and deliver customer value — with minimum waste and maximum flexibility. Founded in 1980, our focus is on sharing product development techniques, processes, discoveries and tools that generate innovation, customer value and faster response.



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Registration Form

January 29-30, 2001 | Phoenix

Please accept the following registration(s) for:

- 2-day conference (January 29-30)
- Pre-Conference Workshop (January 29):
"eCPC - Vision and Selection" - see page 4

Photocopy this form for additional registrants - please type or print clearly

1. Name (Mr/Ms) _____
 Title _____
 Company _____
 Address _____
 City _____
 State _____ Zip _____
 Country _____
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Others from my company who will attend:

2. 2-day conference Pre-Conference Workshop
 Name (Mr/Ms) _____
 Title _____
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Management Roundtable
92 Crescent Street
Waltham, MA 02453 USA



By Phone:

1-800-338-2223 or
781-891-8080 (9-5:30pm EST)

Conference Fee:

The conference registration fee is \$1495. Fee includes program materials, luncheons, reception, continental breakfasts, and refreshment breaks.

Team Discount:

Teams of 3 or more may deduct \$200/ person from the conference fee.

Pre-Conference Workshop Fee:

The fee for the half-day workshop, January 29, is \$495 with the conference (\$695 as a stand alone session) and includes lunch and all materials.

Hotel & Travel Accommodations:

The conference will be held at the **Hyatt Regency Phoenix at Civic Plaza**, 122 North Second Street. For reservations call 1.800.233.1234 or visit the Hyatt website at www.hyatt.com.

Skyline Travel is the official travel agency of Management Roundtable. To take advantage of discounted airline reservations, please call (800) 255-3330 and mention Management Roundtable.

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Your satisfaction is 100% guaranteed – money-back or credit.





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Conference Features

- ▶ **Keynote Address** by **Dr. Corey Billington**, highly respected Executive Director of Supply Chain Organization at **Hewlett-Packard**, on H-P's transformation from a product-oriented to customer-oriented business model and how the Internet supports its increasingly complex value delivery network
- ▶ **Powerful case studies** such as Ericsson's global cost measurement system, creating a lean supply base, value chain mapping at GM Powertrain, Raytheon's method of quantifying product cost reduction with critical suppliers, extending DELL's direct model to product development, supplier integration into product development, the impact of B2B, and more
- ▶ **Pre-Conference Workshop: eCPC (Collaborative Product Commerce) Vision & Selection**
Dr. Charles Downey, Practice Leader and Michael Leach, Director, PricewaterhouseCoopers will address the issues surrounding the development of the eCPC vision and the approach to Solution Selection. Learn how to leverage your strategic and infrastructure initiatives to meet the challenges of the ever growing need for faster communications, faster response times, and improved knowledge management throughout the extended enterprise

Conference Faculty

Keynote Address

Dr. Corey Billington

Executive Director of
Supply Chain Organization
Hewlett-Packard

Dr. Charles Downey

Practice Leader, eCPC
PricewaterhouseCoopers

Birgitta Häard

Supply Management
Business Controller
Ericsson Radio Systems AB

Robert Handfield

Bank of America University
Distinguished Prof. of SCM
NCSU

Michael Leach

Director, eCPC
PricewaterhouseCoopers

Joseph Martha

Vice President
Mercer Management
Consulting

Dan McDonald

VP of Purchasing
Product Control & Logistics
Saturn Corporation

Michael Pizinger

Director of Operations
DELL Computer

R. David Nelson

VP of WW Supply
Chain Management
Deere & Company

Collin Reeves

Supplier Technical Consultant
Raytheon

Michael E. Slomke

C.P.M., Director, Supply Chain
Motorola SPS

Terry Suelman

VP of Global SCM
Honeywell Electronic Materials

Dr. Roger Vardan

Manager
Strategy & Development Group
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