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# PURSuing PERFECTION

TOOLS, IDEAS,  
AND SOLUTIONS  
FOR CONTINUOUS  
IMPROVEMENT

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## Business Essentials: Get Your Counts Under Control

by Fred Heintz, CPIM CIRM

**Using a “control group” to guide your cycle counting process can give you several distinct advantages — and can lead to more accurate cycle counting results.**

Have you started a cycle count program, or are you contemplating one? If you’ve started, are you getting the results you want? If you’re not seeing improvements in accuracy, perhaps it is time to put some “control” into your cycle counting process.

Sixth Floor Consulting has been involved with more inventories than we can remember. We highly recommend the use of a Control Group when starting a cycle count program. This variation on regular cycle counting has advantages over a regular cycle count program. This method does not eliminate the need for a regular cycle counting process, but it helps bring discipline and expertise into counting before a complete regular program is attempted.

Control Group cycle counting still needs to start with the same data as a full cycle count program.

Items need to have ABC classifications done, and the business needs to determine how many counts will be done on a daily basis. Once this is determined, a group of items that mirrors an average day’s count is selected. These items are then counted every day until the group has 100% accuracy for a two week period.

Once the control group has achieved this level of accuracy, a normal cycle count process (counting different items every day) can begin. Accounting will only be satisfied that inventory valuations on the book are correct when a normal cycle count process is reached.

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## OUR MISSION

The goal of Sixth Floor Consulting Group is to create best-in-class processes, allowing each of our clients to take their businesses to a higher level of quality, profitability, and Lean operation.

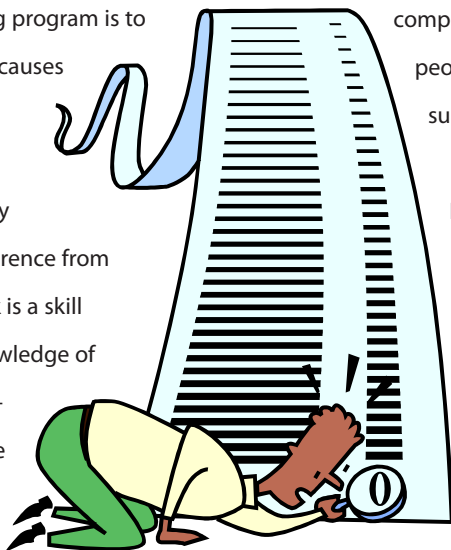
Put us to work on your team! Email [info@sixthfloorconsulting.com](mailto:info@sixthfloorconsulting.com) to get started.

### Three CGCC Advantages

So why do a Control Group Cycle Count (CGCC)? There are three advantages to starting, or re-starting, a cycle count program this way.

The CGCC process allows the counters to get experience in performing cycle counts. It is obvious that an accurate count is essential in any physical inventory process. Counting the same items every day allows the counters to get experience in accurately recording inventory. They will quickly learn what item types cause problems in counts, and how to mark which items have been counted. They will learn to make sure cartons have quantities on them (and that those quantities face out). Also, any special count processes (weighing, tank gauging, etc.) will be mastered, and quick counting tricks, such as how many bolts in a bin, will start to become more obvious.

Perhaps the most important advantage of CGCC is developing people with expertise in reconciling counts. The main reason to start a cycle counting program is to eliminate the causes of inventory inaccuracies. Getting to why there is a difference from count to book is a skill requiring knowledge of inventory processes and the company's



computer system. Putting these skills together requires some time and practice. By counting the same items every day, reconciliation needs to only look at yesterday's transactions to determine the cause of an inaccuracy. Researching one day's data allows the reconciler to concentrate on how to find errors quickly.

The last big advantage of CGCC is the ability to gather low hanging fruit. More than likely, the major causes of inventory inaccuracies will appear during the CGCC process. This allows the business to make quick process improvements that will make for more accurate inventories when full cycle counting is started. These changes also allow the team to see whether senior management and the rest of the business are truly supportive of cycle counting. If a simple problem like timely keying of receipts or production is causing a problem, the willingness of the business to make the necessary changes will determine if the program will be a success.

By starting with a Control Group Cycle Count, a business can guarantee a better cycle counting process. Once you're ready to move to a complete cycle count process, you'll have the people and processes in place to have a successful inventory accuracy program.

If you're having problems starting or sustaining a cycle count process, contact Sixth Floor Consulting group [here](#) for help. With more than 25 years experience in inventory control, we can help you meet your goals. ■

## Lead, Follow, or Get Out of the Way!

by Tom Dzialo, CPIM CIRM

Our May newsletter article, "Leadership, not Legislation,"

spurred a discussion of leadership within

organizations. President Kennedy's 1961 lunar challenge to the nation is perhaps one of the best examples of leadership and mobilization of a team with aggressive goal-setting.

Kennedy's special message to congress on May 25, 1961, said, "First, I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to the Earth. No single space project in this period will be more impressive to mankind, or more important for the long-range exploration of space; and none will be so difficult or expensive to accomplish."

To say it was important to the exploration of space is a gross understatement. The innovation and technological developments from that period have changed the world. A typical watch now has more computing power than the on-board computers aboard early spacecraft. Now, nearly forty years later we have a full-time staff aboard an International Space Station. Our Space Shuttle has made space travel so commonplace, it's now barely even noticed.

On May 14, 2010, the Atlantis lifted off from the Kennedy Space Center into outer space for

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her final planned spaceflight, during which she visited the International Space Station (I.S.S.), making deliveries of high-value cargo, providing manpower for important extravehicular activities, delivering new astronauts to the I.S.S., and carrying away tons of trash and unused/broken equipment. Atlantis landed at Kennedy Space Center on May 26, 2010, at 8:48 a.m. EDT; after 25 years of service and 132 missions to space and near earth orbit.

There are only two left in the launch schedule. The Shuttle vehicles are beyond their design life and are being retired after the final launch of Space Shuttle Endeavour's planned launch in mid-November. Many view this as an end of

an era and as a loss of a shared national vision.

Every organization needs to be challenged. Challenged to accomplish more. Challenged to accomplish something new, not for the sake of challenge but for the sake of survival, progress, continuous improvement.

Leadership requires many attributes, and vision is near the top. Without it, the organization doesn't know where it's going and doesn't share a common purpose. As the tumultuous 60's began and the cold war boiled, Kennedy is uniting the country around the common purpose, a lunar landing. All leaders, be they political, military, academic, or athletic, influence and inspire their respective teams with their vision.

**"Compromise nothing for the sake of us."**

**Geno Auriemma, University of Connecticut  
Women's Basketball Coach**

In last month's article, we cited Commissioner Amy Marrella at the Connecticut Department of Environmental Protection and Ben Baldanza, CEO at Spirit Airlines. They both have focused and energized their organizations to succeed with a shared vision.

Does your organization have a shared vision? Ask those around you if they share your vision. Leaders come in many shapes and sizes, and perhaps it's your turn to help focus your organization! ■

**Remember this your lifetime through:**

**Tomorrow there will be more to do.**

**And failure waits for all who stay**

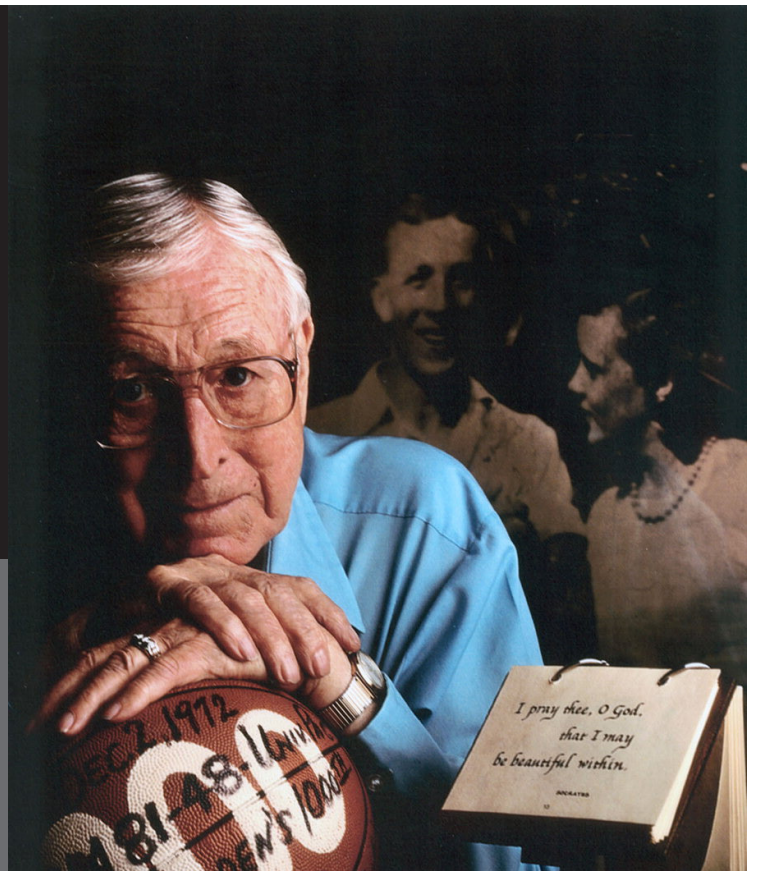
**With some success made yesterday.**

**Tomorrow you must try once more,**

**And even harder than before.**

*John Wooden*

October 14, 1910 – June 4, 2010





# Technology Tips and Tricks: Excel Keyboard Shortcuts

Print this page and post it near your computer for easy reference.

**"We are what we repeatedly do. Excellence,  
then, is not an act, but a habit."**

*- Aristotle*

Microsoft introduced Excel in 1985, and it is used by most organizations to work with numbers. With the introduction of the latest version rolling out with Office 2010, Excel celebrates 25 years of number-crunching.

Below is a selection of shortcuts used by many power users to speed their data entry and navigation. These shortcuts are for Excel 2007, but most should be compatible with earlier versions as well as 2010. Consider this an introduction to "shortcut" fundamentals. As you might expect, Microsoft has built in so many features, books have been written to explain them all.

Keyboard Shortcut	Action
ENTER	Data Entry: Complete a cell entry and select the cell below
TAB	Data Entry: Complete a cell entry and select the next cell to the right
ESC	Data Entry: Cancel a cell entry
HOME	Move cursor to beginning row
CTRL + HOME	Move to cell A1
CTRL + END	Move to the last active cell in a worksheet
CTRL + ARROW KEY	Move to edge of current region
SHIFT + SPACEBAR	Select entire row
CTRL + SPACEBAR	Select entire column
F8	Extend: Turn the "Extend" feature on and off. "Extend Selection" shows in the status line when activated. Additional cells can easily be added to the initial selection. Simply click a cell outside the initial selection to expand the target cells. You do not need to worry about holding the CTRL key down.
SHIFT + ARROW KEY	Extend: Extending the selection in the direction of the arrow
SHIFT + F8	Extend: Use this command to add a non-contiguous range of cells to the selection