
Director Report & Meeting Theme

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The Question for all manufacturing plants

Is my plant globally competitive ?

What does it mean for Krannert and DCMME to provide education and research opportunities focused on globally competitive manufacturing ?

As an example, consider Auto Components

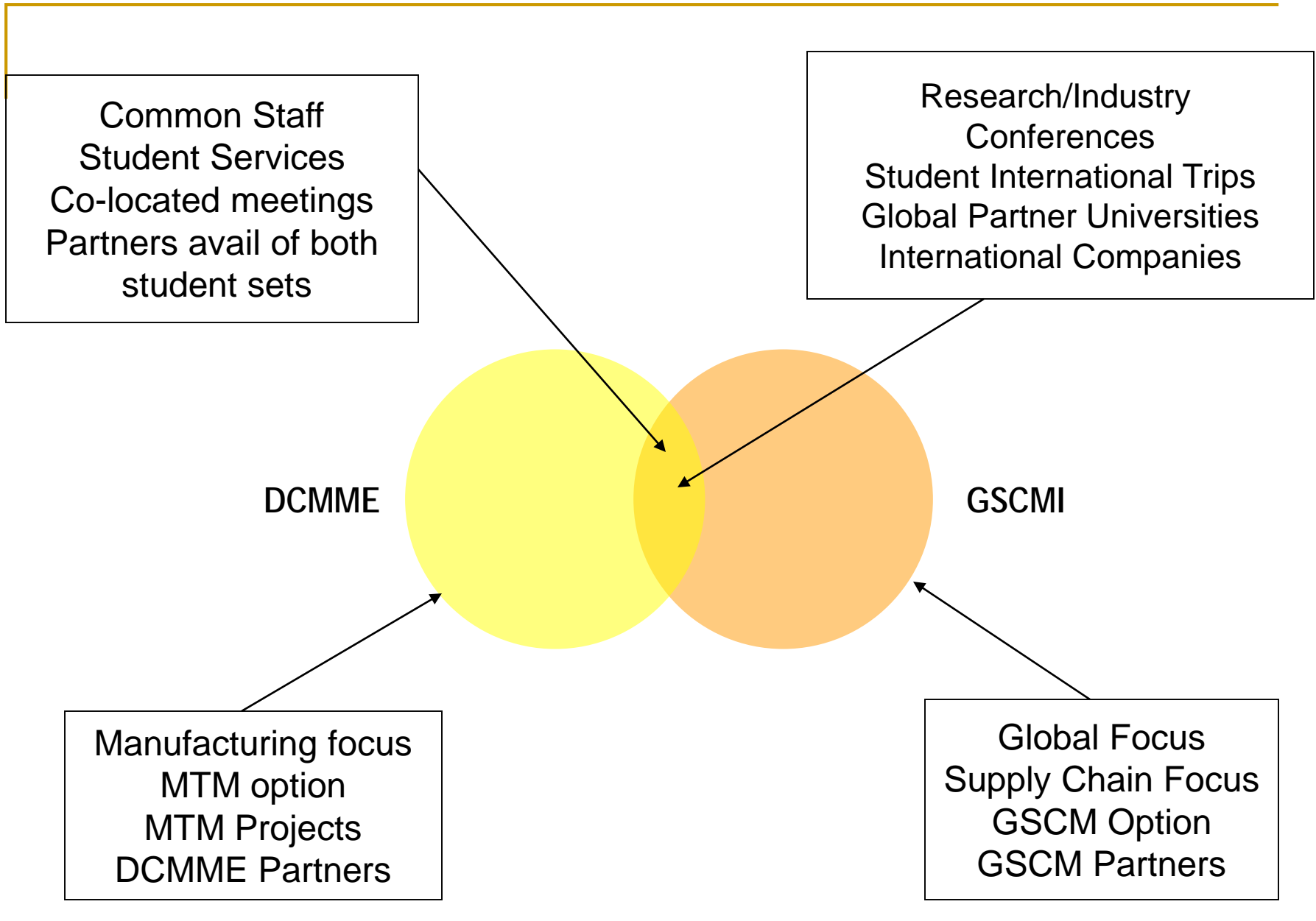
- Consider the pie chart of costs to build auto components
- What has to be managed to be globally competitive?
?

Chart of Costs

Cost Item	%
Material Cost	51.3
Power and Fuel Cost	3.8
Employee Cost	12.5
Other Manufacturing Expenses	6.9
Selling expenses	3.3
Interest & Finance Costs	3.6
Depreciation	6.4
Tax	2.0
Operating Profit Margins	15.3
Net Profit Margins	4.2

Raw Materials

- Since raw material costs are 51 % of total cost pie, how can the overall cost be improved ?
- Improving the manufacturing process
- Value Engineering to improve materials and manufacturing processes
- Coordinating design with suppliers and customers
- Simulating performance interactions across components
- Adjusting designs to appeal to market segments
- Managing the supply chain (including distribution)
- Use global opportunities effectively



Results from the 2005-2006 academic year

- 13 students completed the MTM option
- 27 students completed the GSCM option
- 60 students involved in events hosted by the center
- Active Operations Club with six plant trips (American Axle, Bristol Myers Squibb, carrier, Caterpillar, Cummins, Accenture)
- Six Speakers on campus to talk to students
- Four newsletters from the center
- Two partner conferences
- Five sponsored projects
- 11 students went on a Spring Break 2006 trip to China (visited Intel, Jones Lang Lasalle, Baosteel, Cummins and partners, Kimberley Clark, Zuelig Pharma, Delphi, Kemet, Mercury Marine, Emerson)
- Spring Conference 2006 focused on Intellectual Property and the Global Supply Chain

Spring Conference Case Competitions

- MBA Case Competition (sponsored joint with Phillip Morris, USC and Bose McKinney & Evans), 14 Schools participated
- Undergraduate Case Competition (sponsored joint with Kimberly Clark) – 10 teams from Krannert and IE
- Message: The case competitions have impact – on students, on our reputation and on industry sponsor recognition. Please contact us if you are interested in being a sponsor for the February conference.

Projects by faculty and staff

- Eight faculty associated with projects (Professors Sommer, Deshpande, Rees, Tawarmalani, Li, Hoeck, Iyer, Ward)
- Students played a role in all projects (Justina, Alberto, Jonathan, Kailas, Ganesh, Yatin, Abhishek, Maeng, Asima)
- Projects sponsored by INDOT, US Coast Guard, OFS Huntingburg, St Gobain Containers
- Project presentations later in the program

Message from DCMME

We are available:

1. To coordinate with you on projects.
2. Deliver excellent solutions on time at moderate costs.
3. Focus on problems that are complex with large datasets and requiring analysis.
4. But it is important for a person in the company to work with us at the start to help us understand the real problem
5. Our solutions are prototypes that can be used to built useable systems

NSF Sponsored conference and funding

- Received National Science Foundation grant of \$ 25 K
- Second conference in India, SIMC 2006, held at Hyderabad, India
- Two day conference – one industry day and one academic day
- We coordinated the academic day with NYU and ISB
- 15 faculty from the US attended, 15 from Indian universities
- 24 papers presented in 1 day (August 4, 2006)
- Focus on empirical data and analysis within the context of Asim manufacturing

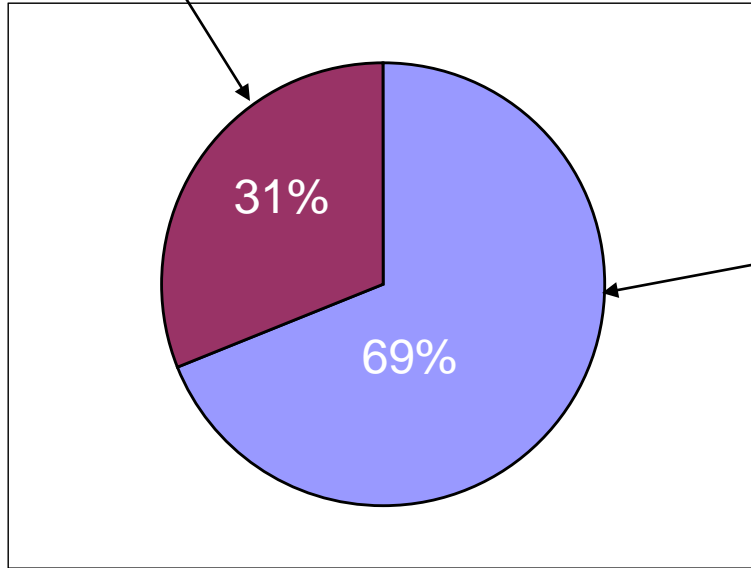
Alliances with others – at Purdue and at other universities

- Joint project proposals with CWSA (ECE), JTRP (Civil), NIPTE (Pharma and ChemE), CAM
- Joint efforts with NYU and USC
- Joint efforts with Yonsei University (Korea) and ISB (India)
- Joint proposals with CIBER (Purdue)

Center Fund Flows

- Quick Summary in next slide
- Details and discussion by Mary Pilotte later
- We have developed a portfolio of sources that fund the center – partner support, funded projects (company, state and Federal funds), University support
- Output driven performance – impact on Education, Research and Partner benefits
- Message – your partner support is vital in keeping the center solvent and robust

University Support



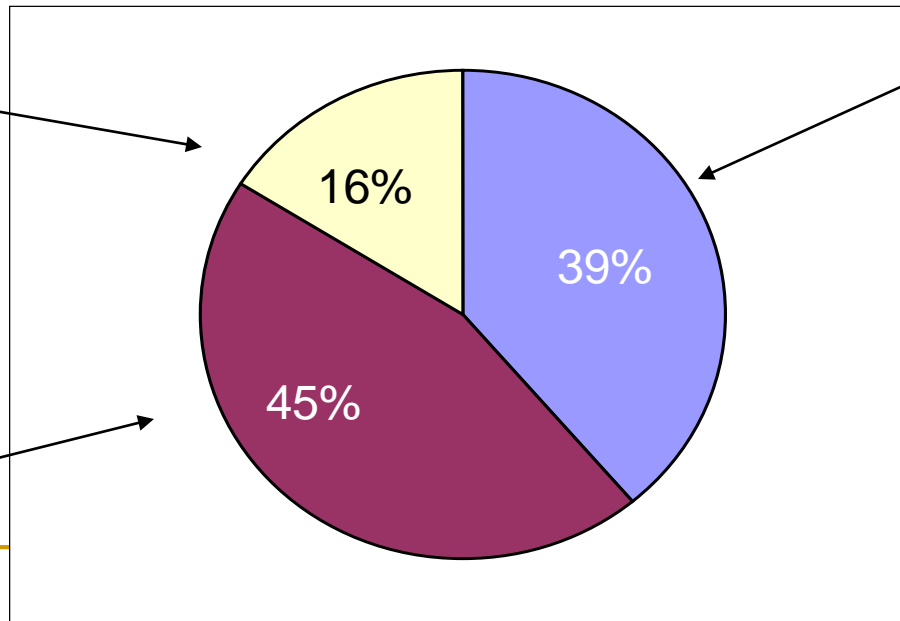
Inflow Sources

Partnership & Project Income

Student Enrichment

Outflows

Events & Marketing



Research & Projects

Summary of Activities for 2005-2006

- Student Focused Events and Poster Competition
- Case Competitions and Outside recognition
- Spring Break Trip to China to visit Partner plants and other companies
- Projects – research and applied
- Faculty involvement
- University coordinated events
- Partner benefits

Activities for 2006-2007

- Projects ongoing with US Coast Guard, St Gobain Containers
- Proposals with Indiana 21st Century Fund (RFID and Pharma manufacturing), NextTrans (with DOT funding), Korean Govt funding for Yonsei (next steps)
- Grant of \$ 100 K from NSF (joint with NYU and Purdue Schools of Engineering) focused on collaboration with Indian research universities
- TVS Motors Sponsored December break trip to India (16 students between Krannert and GISMA) – Mr Venu Srinivasan
- Spring Conference Planning (Speakers identified, slots available to feature Partner executives)
- Campus Speakers
- Partner Site Visits by Operations Club
- Identifying New Partners and thus New Initiatives

Spring Conference Theme

- Sustainable Supply Chains & Impact of Corporate Social Responsibility on Global Procurement
- Opportunities for partners to play a role in influencing this event
- Format similar to last year – push for student involvement, case competitions etc
- We invite your input

THANK YOU

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