



May 2016 - Issue #123

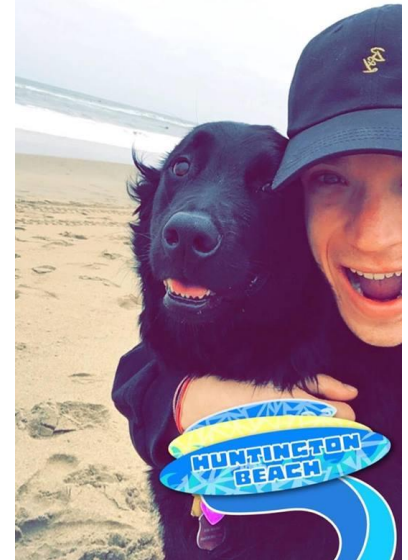
Welcome from Lisa

May was another busy month - I have been speaking, networking, spending time with clients and colleagues and I was able to get to AZ to see my mom and family. Now I'm thinking a little down time might be just what is needed.

As we head into summer, I'd like to recommend we "run through open gates" like any dog would and enjoy life. Why not see our days like our dogs - an exciting experience; you never know what might happen or who might be at the door (or through the open gate)! Here is Abby doing just that at her first visit to the beach. She just loved frolicking in the waves with Ryan.

How great is it that we can leave the house for 5 minutes or 5 hours and Abby seems elated to see us? Perhaps we should try treating our customers, colleagues and clients like that.

This month, I liked the idea of dedicating articles to some of my favorite client projects. Perhaps they'll give you a few ideas to run through the gate.....



IN THE NEWS

Please check out my latest speeches, articles & quotes:

- Facilitated an executive panel discussion on "Supply Chain Trends" at APICS Inland Empire's [spring executive panel & networking symposium](#).
- Spoke at [ASQ](#) (Global Leader in Quality) Palomar on "Inventory Accuracy Success Strategies".
- Published an article, "[Project Success is All About the People](#)" in *Project Times*.
- Co-facilitated a Harvey Mudd executive roundtable on R&D/ IP - the catalyst for growth with Kash Gokli, the head of Harvey Mudd's manufacturing program.

Enjoy,
Lisa

[Email](#)
[LMA Consulting Group, Inc.](#)

P.S. Our best clients come through referral. We thrive on gaining results for our clients. Please pass on anyone interested in improving their individual and organizational performance.

We were reminded of this favorite client project and success story related to processes recently as we were talking with a new GM at a key client about ways to improve service levels rapidly. It reminded us to pay attention to what "works".



So many clients try complicated and convoluted programs, thinking it is required for success, but it isn't! Why go down that rabbit hole when simplicity can achieve rapid, bottom line results?!

This particular favorite project made the list due to its simplicity and quick results in the face of quite a bit of doubt and several previous failed attempts to resolve along the way. Who doesn't love a great underdog story?

In this case, there was one area within the manufacturing process that held up the vast majority of the customer orders. The bottleneck was obvious; thus, identifying it wasn't the issue! Unfortunately, solving it proved elusive. What worked was simplicity - plan the work; work the plan. Not rocket science but it reduced 80% of the past due within 2 months' time in a long lead-time, aerospace industry manufacturer.

As with every success, it wouldn't have occurred if the GM hadn't supported the plan and made the priority clear. Once the plan and production schedule was communicated, the sole focus was to prepare for and execute the plan. Thus, instead of not having the right skills available at the right time, we knew we'd run into this issue ahead of time, and we proactively resolved it.

And the next 100 items like this fell by the wayside as well. Manager's attention was redirected to this bottleneck. If the team needed help, the management team would jump to action. Soon, the bottleneck freed up and orders started shipping. Eventually our #1 customer went from being "off the charts" in negative territory to regaining bronze level status. I personally remember this as one of my favorite accomplishments as getting these long-term numbers up consistently over many months to bring the status level up was a TALL order - and great to see!

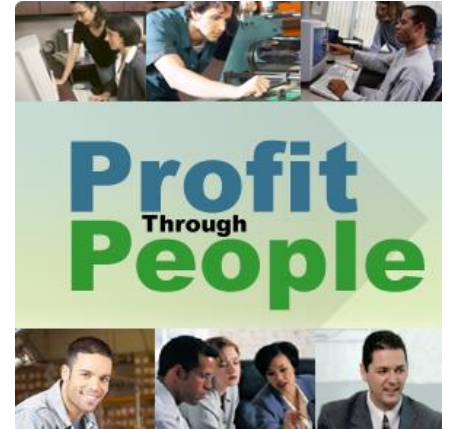
Are you so far into the weeds that you miss these sorts of obvious solutions? it is easy to do. Instead, take a step back, simplify, execute & succeed.

Did you like this article? [Continue reading on this topic:](#)

[**The Million Dollar Planner**](#)

One of our favorite client stories on the topic of "***Profit through People***" goes back to one of our first clients. It is hard to choose a favorite in this category as PEOPLE make or break success at every juncture along the way.

In this case, our client needed to get a handle on inventory somewhat rapidly because it could directly affect the sale of the company - and each individual's career success and chances at long term viability at this company. How could we bring inventory levels down while keeping the high service levels our customers had come to expect? How could we make sure the "right" inventory was in the "right" value-add distribution center at the "right" time? Seems a complex supply chain solution might be required; however, the solution boiled down to 1 tenet - PEOPLE.



We found the "right" people in the organization. In 80%+ of our client cases, they have the "right" people somewhere in the organization already. The key is whether they recognize them. In this case, we were able to readily identify emerging talent throughout the system. Interestingly enough, we found talent where we needed it by simply looking.

Next, we had to "arm" these emerging inventory leaders with the "right" tools - and more importantly, the "right" philosophy. One of the largest successes was in changing the metrics to encourage collaboration and sharing of inventory. Even though each GM was still measured as they used to be measured (since there wasn't time to change entire systems), we were able to change the overall message. Again, simplicity can "work".

Last but not least, we had to "get out of the way". Encourage, empower, engage and get out of the way. Although I don't know that the executive team articulated this message like this, it is what they followed. People might listen to what you say but they definitely will listen to what you DO. The team was set up for success - and it worked! Inventory was reduced by 30-40% on the core product lines while maintaining high service levels. Thus, less cash was tied up unnecessarily while customers remained happy. Debt was freed up for the sale.

Did you like this article? [Continue reading on this topic:](#)

[***Is Your Inventory System Working?***](#)

One of our favorite clients related to our service line of "***Eagle Eye***" which is just as described - like an eagle, can you pick out your priorities (prey) rapidly and accurately - and "make it happen". What else is there to say? There are lot of strategy experts but FEW who can execute - make it happen!

Our client was in the building products industry at the height of the recession with real estate prices in the toilet and construction on a dramatic slowdown. Of course, our client was not the only company in the industry to struggle. The key is how to reduce



costs while being able to service customers slightly better than the competition. In this case, 5% improvement was enough to drive sales and stand out in the crowd - quite important in the middle of a nasty recession!

In this case, we completed an organization-wide assessment of people/ culture, processes and systems while evaluating distribution center size, margins, items, and innovative alternatives. Could we reduce our overhead base while finding a way to edge out the competition with service?

Although systems are always a part of our projects as they tend to be one aspect of the total equation, they rarely, if ever, are "the" solution. However, in this case, we uncovered an opportunity to leverage functionality unique to this configure-to-order industry that would provide an advantage in speed and service while minimizing the cost - and utilizing an already-existing asset (and one that was cost prohibitive for the competition to purchase during the recession) - a great yet unexpected "no-brainer" emerged.

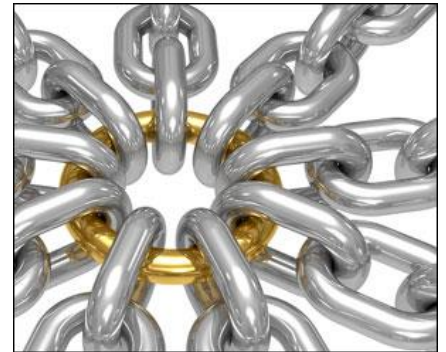
However, this seemingly obvious strategic advantage wasn't clear to anyone prior to the organization-wide review. Often-times, our best ideas and solutions are sitting right in front of us but we miss them. Take a step back and make sure you are seeing the trees in the forest. Do any look like unique opportunities? Undoubtedly, there will be one if you look hard enough!

Did you like this article? [Continue reading on this topic: *What is Eagle Eye Strategic Focus?*](#)

The Strongest Link in Your Supply Chain SIOP as a Win-Win-Win-Win

Our favorite end-to-end supply chain project supported a SIOP (sales, inventory and operations planning) project for growth. Although we enjoy SIOP projects as they are one of the best ways to achieve a win-win-win-win of growth, service, margins and cash, this particular client had some complex data and dramatic growth to consider.

SIOP is all about aligning demand with supply - AND the different functional areas of the organization on one page. Accomplish the second, and all else will fall into place. This particular SIOP project was no different.



First, we had to get everyone on the same page with why we were embarking on this project - how would it help the company? And each individual?

Next, we had to get a handle on demand. What were the growth projections? Were we able to "add up" from the details to the same numbers the executives knew to be accurate at the high level? If not, how would we reconcile these matters? There is no need to get lost in details yet we had to be in the same ballpark. Unfortunately it is quite hard to execute a plan if we don't understand the plan in the first place!

Then, we had to crunch the numbers at a high enough level to not get stuck in the weeds yet at a low-enough level that it would still be meaningful to the people who knew what it took to succeed. We had to get past imperfect data and make sure we were concerned with being directionally-correct. How could we estimate the number of machines, types of machines, number of people, skills of the people - and even buildings required? Should we be off-loading, moving volume within the facility or outsourcing to other

facilities within the system? What could we do rapidly while focusing on customer service and customer expectations including margins and cost?

In essence, we brought the best ideas together with SIOP. When it came together into one process and one document, the answers became clear. We had a plan and clarity on how to triple and quadruple the business - and, now we could execute the plan!

Did you like this article? Continue reading on this topic:

[SIOP/ Integrated Business Planning](#)

Connections

Connections and relationships are the 80/20 of success!

THIS MONTH'S REQUESTS:

- Our APICS Inland Empire Chapter has a job board - great Inland Empire companies looking for fantastic resources. It is worth **checking out**.
- My Ontario **ProVisors** group of trusted advisors is looking for an environmental or immigration attorney. **Email me** with referrals.
- Hard to believe with the skills gap alive and well but I know two outstanding supply chain leaders looking for a job -one in Wichita and one in New York. **Email me** with referrals.
- Refer anyone interested in advancing their supply chain and manufacturing skills to take a look at the best **education and certifications** available.



NOTE: To submit an item for this section, please send me an email with a short description of your needs and an email address. Please note that NOT all requests will be published as it must fit the guidelines and align with the Profit through People brand.

What is Profit through People?

I've used the Profit through People brand since my newsletter's inception in 2006 as it resonated with me. Although I consult on topics within each of my service lines--Eagle Eye Strategic Focus, The Strongest Link in Your Supply Chain, the Systems Pragmatist & Profit through People--I find that people are key to success in every situation. If you are interested in elevating your business performance, please contact us.

NOTE: To submit an item for this section, please send me an email with a short description of your needs and an email address. Please note that NOT all requests will be published as it must fit the guidelines and align with the Profit through People brand.



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