



April 2018 - Issue #146

## Welcome from Lisa

I don't remember a month that hasn't been packed lately. April was no exception. It ended with the wedding reception of my best friend Sandi's son, Alex (also my Godson) and his soulmate Grace. The reception took place on a farm in North Carolina so there were activities for everyone - traditional dancing including some classics which were the favorite of Sandi's mom (who was like a 2nd mother to me while in high school and especially college when my parents were to AZ) such as YMCA and the chicken dance; activities and games for the kids (including big kids) - the small zipline was a hit!



I also went to Boston to reinvigorate and kick off a new company (transitioned from our consulting mentor), the Society for the Advancement of Consulting, with my business partner, Linda Popky. It is a great way for me to not only stay on the leading edge of business performance best practices but also with global consulting best practices so I can provide more value to you! If you are a consultant or speaker, check out our special promotional pricing and join.

If you are in Southern California, please join us at our APICS-IE Executive Panel and Networking Symposium on "Managing Rapid Growth when Manufacturing and the Supply Chain Are HOT". We would love to see you there.

## **IN THE NEWS**

Check out my latest speeches, articles & quotes:

- Moderated a panel "Freight, Frictions and the Future" at the [Southern California E-Commerce & Logistics Summit](#).
- Spoke at [Good Morning Ontario](#) on "The Amazon Effect".
- Spoke at APICS Ventura on "[Current Trends in Manufacturing and Supply Chain](#)"
- Participated in Norco College's [Logistics Advisory Committee](#).
- Quoted in SAC's article, "[Good Business Practices Best Way to Manage in a #MeToo Environment](#)".
- Quoted in SAC's press release "[Consulting Society Announces Leadership Changes, Expanded Offerings](#)".
- Quoted in Executive Succession and Exit Planning "[Supply Chain Expert Lisa Anderson Predicts 2018 to Be Game Changer](#)"

In May, I'll be featured on [Critical Mass for Business](#) radio show on May 29th.

Enjoy!  
Lisa

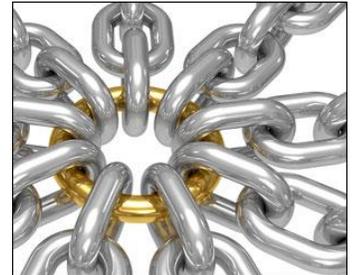
[Email](#)

LMA Consulting Group, Inc.

P.S. If you know of anyone who could benefit from improved service levels, decreased lead times or increased levels of cash due to improved inventory processes, please refer them.

The Strongest Link in Your Supply Chain  
**E-Commerce is on Fire**

At the Southern California E-Commerce and Logistics Summit, there was much discussion on e-commerce. No matter whether you are in a consumer products company (which is typically more geared to e-commerce) or if you are in aerospace, e-commerce principles and implications will affect you. The bottom line is that we are in the era of the customer:



**1. E-commerce is over 10% of all retail sales currently and projected to climb over 15% by 2023** - Customer responsiveness, rapid deliveries and last mile considerations will become commonplace.

**2. China and the U.S. account for over 80% of the e-commerce growth** - In thinking of customer geography and delivery, it becomes apparent where to focus attention.

**3. U.S. cross border is expected to grow at 7 times GDP (export)** - Correlating with several statistics related to export, there is VAST opportunity to better leverage export since it pales in comparison to import.

**4. Technology has disrupted retail and transferred power to the consumer** All we need to do is think about our last car purchase. You can find out exactly what we should pay for a car before ever arriving on the car lot. Just think mobile technology and the on-line marketplace to start.

**5. Supply chains have transformed from hub and spoke to localized fulfillment** - These are vastly different models, requiring different levels of infrastructure. How can we change from one to the other without losing our shirt?

**6. The customer experience rules!** - Similar to what we hear from our clients, very few talk about inventory levels as the #1 priority; instead, it is all about enhancing the customer experience . Are you geared to achieving this new #1 priority or the old?

Whether you have e-commerce potential in your business, export potential in your business or whether you just want to provide a superior customer experience, pay attention to these e-commerce trends. E-commerce is impacting every manufacturer and distributor in terms of service expectations, lead time requirements and growth - do you have a competitive advantage over your competition? What is it? And how will you provide it at a reasonable cost? Reason enough to stay tuned and get ahead of the curve.....

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

[\*\*\*Technologies of Disruption and E-Commerce\*\*\*](#)

The Systems Pragmatist

**Buried in Data. Dig Your Way Out & Leverage for Success**

**90% of the world's data has been created in the last two years.**

Mind boggling! Of course, we are getting buried in data and aren't sure how to dig our way out and leverage for success.

If you just think about your first few hours after waking up in the morning, you've received millions of messages and data: 1) News reports from the radio. 2) Text messages and emails on your phone. 3) Most likely you've driven by billboard messages on your way to work. 4) The TV might have been on in the background while getting ready for work. 5) People are calling on the phone. 6) Nightly reports arrived in your inbox. 7) Customer orders came in overnight. 8) Your machines have provided data on breakdowns, waste etc. 9) And more....



How can we dig our way out of all this data? As with almost everything in business, the key is which data to prioritize. Have you thought about the strategic use of data? Here is a short clip of me answering a question on the strategic use of data at an Amazon Effect panel at the Manufacturers Summit:



A few insights into digging your way out of data:

- 1. Leverage technology** - Don't manually try to dig your way out of data. After all, if 80% of the world's data has been created in two years, there is no hope to dig yourself out byte by byte. Employ the appropriate use of technology to synthesize data.
- 2. Remember, garbage in, garbage out** - Just because you put a fancy collection system in place does not mean you are collecting valuable data. Perhaps you are just collecting garbage. Develop processes to quickly assess the gems from the junk.
- 3 Directionally correct** - We are known for using this phrase because we find it is core to success especially when it comes to data. Don't even think about making sense of every byte. Gain a directionally correct conclusion and make progress.
- 4. Slice and dice**- Data alone is "too much". Set your data up so that you can slice and dice the data to dig into what is meaningful for your business. For example, if you plan to grow in the northeast by 25%, start with the sales growth figure. Then, view it by state or customer. Check the largest increases and decreases in more detail - are there certain customers or items that are over or under performing? Etc.
- 5. Take the bird's eye view** - We cannot tell you how many clients end up with a great-looking report that doesn't "add up" - not necessarily in the literal sense but in whether the information makes sense in conjunction with other indicators. Take a step back and ask questions to make sure it "adds up".

Our most successful clients pay attention to data. A few years ago, an award-winning company asked us to help with a SIOP (sales and operations planning process) and an ERP selection process. They were fanatics when it came to analyzing sales data. It certainly seemed to correlate to part of their success. If you need help thinking through your data strategy, [contact us](#).

**Did you like this article?** [Continue reading on this topic: Top Technologies for 2018](#)

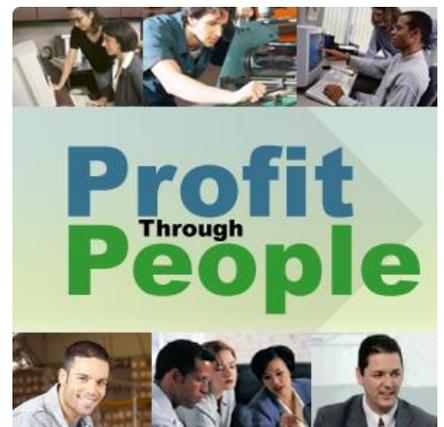
Profit through People

## The Skills Gap Emerges as #1 at Prominent Supply Chain Conference

At the Southern California Supply Chain and Logistics Summit conference, there were several keynote speakers from industry icons such as Amazon, UPS, Union Pacific and more. One might expect quite a lot of interesting insights into the latest supply chain trends yet the most common theme among the presentations tied back to the skills gap. It boils down to having the "right people" for success - both in terms of employees and supply chain partners.

Several of the themes emerging at the supply chain summit include:

- 1. Automation: Friend or Foe?** With the advance of automation in the supply chain, there is much worry over the impact on people yet several speakers said they HAD to automate and leverage technology just to have a hope of keeping up with the expected growth over the next several years. When adding in the retirement of baby boomers, will you have the skills to support your business growth?



**2. Someone has to be behind the robot** - Even though some robots use artificial intelligence concepts, they aren't programming themselves. There is someone behind the robot - programming, maintenance and more. Are you preparing for a job that can be replaced by a robot or are you programming the robot?

**3. Robots and people side-by-side-** There are some tasks robots can automate and improve upon whereas there are others it makes sense to employ workers. Are you preparing your resources to see value in both?

**4. Matching skills with roles** - How does your company stack up? Another topic of much discussion - mentioned by panelists and attendees alike, the vast majority of executives are falling short when it comes to gaining the skills they feel they need to run their business at the "right" margins. How clear are you on what you need to successfully run your business? Or are you living on hope it will all work out?

**5. The rise of flexibility** - With the rise of e-commerce, we have BIG spikes. We need to be thinking about how to incorporate flexibility into our thinking.

**6. Would you want to be in the role?** There are some jobs set up to be thankless (such as drivers in several environments). If you wouldn't want to do the job, how can you expect to keep your workforce?

Since having the "right" talent in the "right" place at the "right" time is #1 to success, investing in talent could be your most important investment of the year. Do you spend as much time thinking about your people (whether current or new) as you do a major machine or technology purchase? You should!

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

[\*\*\*Who Gets the Talent?\*\*\*](#)

Eagle Eye

## Collaboration in the Supply Chain

To succeed in today's Amazonian environment, we must keep strange bedfellows. We just love the Amazon example of innovation, partnering with the U.S. Postal service, known as one of the least-innovative organizations out there. But it works! Who ever thought you'd see a U.S. postal service mail truck delivering on Sunday for Amazon?

At the Southern California E-Commerce and Logistics Summit, there were several intriguing collaborations:

**1. Union Pacific and BNSF Railway** - Although there was a healthy competition (over resources not surprisingly since both are experiencing a skills gap), there was also much collaboration over issues.

**2. The AQMD and Staunch Opponents of Indirect Sourcing** - Although there is little compromise in the widespread concern over indirect sourcing, there were panelists who are working to bridge the gap.

**3. Political leaders and Business owners** - working together for progress, even with the distractions and disruptions that occur on a daily basis.



**4. Amazon and their Latest Partner** - Doesn't it seem like there is a new intriguing partner announced every week. Kohl's could be considered a foe but partners for win-win results but it is 'old news'. Recently Amazon announced another competitor partnership with Best Buy. Who will be next? Are you thinking about how to partner with competitors?

**5. Technology companies and all others** - In the era of data and technology, people like Google, Microsoft and Apple are collaborating with everyone - car companies, IoT devices and machinery manufacturers, systems providers and many more.

Are you taking a hard look at your collaborations and partners? Perhaps take a more innovative approach to what you might have "assigned" to procurement last year so you'll be around next year.

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

[\*\*Competition: Or Are They?\*\*](#)

## Connections

Connections and relationships are the 80/20 of success!

### THIS MONTH'S REQUESTS:

- Do you know a top notch family law attorney in the Inland Empire or surrounding area? My ProVisors group is looking for one. Please introduce **me**.
- A client is searching for a senior planner/ buyer with systems capabilities and leadership skills in the City of Industry. **Contact me** with referrals.
- A senior executive with experience as a CEO, COO, and Division Leader who delivers significant shareholder value in food and beverage, CPG, equipment and technology companies is interested in a new opportunity and expanding his network. If you know of a good introduction for his network, please refer **Chris Riley**.
- One of the best execution-oriented, common sense (which is in short supply) P&L owners or COO/ Operations-type resources I've worked with in the aerospace industry is looking for her next opportunity in the San Fernando Valley and surrounding areas. If you have an introduction, please **email me**.
- An experienced marketing and branding professional is looking to get back into organizational life. If you know of an interesting opportunity, please **email me**.



**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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## 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](#).



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