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In this issue:

- The Resurgence of Manufacturing - it's up to you!
- Supply Chain Collaboration
- Recommended Reading
- Connections

The Resurgence of Manufacturing - it's up to you!

As I recently attended the Manufacturing Summit in the Inland Empire and have been preparing for my Association of Operations Management Inland Empire Chapter's 2nd Annual Executive Panel & Networking Symposium entitled "The Resurgence of Manufacturing & Logistics in Southern CA", it's become readily apparent that resurgence is occurring if we choose to take hold of it!

As most manufacturers suffered during the recession and haven't seen robust growth since, it seemed appropriate to discuss what my best clients and contacts are doing to jump on board the resurgence. There are a few key strategies they have in common: 1) Focusing on the export market. 2) Investing smartly. 3) Leveraging relationships.

1. **Focusing on the export market:** Undoubtedly, the manufacturers and distributors growing most rapidly have export business. It's not required to grow yet it certainly jump-starts dramatic growth. For example, according to one manufacturer with export business, the last two months have been 30% higher than last year. Not too shabby!

While listening to an export panel at the Manufacturing Summit, I learned that significant growth is not uncommon especially with Made in the U.S.A. products. This is especially true in industries regulated by the government such as by FDA. International consumers are quite interested in these types of products as they can "count" on the quality.

As the vast majority of the world's population resides outside of the United States, it only makes sense to expand internationally. There are programs designed to support companies interested in exporting; thus, the opportunity exists if we are interested in taking advantage of it. Sure, there are additional complexities; however, you can avoid issues with a bit of common sense and research.

2. **Investing smartly:** Certainly during the recession, I had trouble finding companies interested in investing - in anything. No ERP system upgrades. No capital equipment. And in several cases no cash outlays even with huge returns (like 10:1 or 15:1 returns on investment). However, I've found studies from ALL past recessions inclusive of the Great Depression that has proven the opposite - in essence, those companies that invest during these times of crisis leapfrog their competition.

Of course, if you took advantage of the recession to make smart investments when your competition didn't, you're likely growing rapidly in comparison. However, if you haven't, all is not lost. I find that although my typical clients have more cash, they are still a bit reluctant to spend it in today's environment of volatility. In general, they are starting to put their toe in the water; thus, if you'd like to join the resurgence, jump into the water for solid opportunities!

3. **Leverage relationships:** It might be hard to understand how relationships can be a key to success yet it has proven time and again to be so! In today's new normal business environment, it is not nearly as simple to grow sales and increase profitability as it was during the boom years and when supply chains were less complex.

In my experience, those companies that partner with suppliers and customers to elevate the entire supply chain not only perform far better than the rest but they also generate additional revenues by virtue of a relationship-orientation. People purchase from those they respect, like and trust. How can they do that if they don't know you? Or if their only interaction is when you try to negotiate with a win-lose approach? Additionally, as supply chains are increasingly complex with elevated levels of risk, who will you likely support when issues arise?

It is an opportune time to join the manufacturing resurgence. The good news is that it requires working smarter; not harder. Why not put a plan in place, rally your team around it and give it 120 days? You'll be glad you did.

Lisa's Tips: Supply Chain Collaboration

I find there is little more important than supply chain collaboration for succeeding in today's new normal business environment....

- **Customers** - Of course, collaborating with customers is key to success; however, it goes much farther than asking for forecasts. How can you collaborate together to optimize logistics? Reduce space requirements? Free up cash? Speed up deliveries?
- **Suppliers** - Negotiation should not immediately pop to mind! Instead, think about being upfront with how to stay competitive. How can you collaborate on new materials? New designs? Cost savings ideas?
- **Trusted advisors** - Don't forget to partner with your trusted advisors in the supply chain. Best practices can be found in many places. Your banker will know how you are performing vs. others in your industry, geography etc. Collaborate!
- **Logistics partners** - It's amazing what can be achieved when assessing your supply chain network - how can you partner with transportation providers, 3PL's, and other logistics partners for a win-win-win?
- **Communities** - What communities exist within your supply chain that you can leverage? ERP communities? Industry organizations? Trade organizations? Who better to ask for best practices?

Recommended Reading

"[Words that Sell](#)" by Richard Bayan- At a loss for words? Check out this book on words. It gives countless examples of powerful words which is something we all need from time to time.

Connections

Connections and relationships are the 80/20 of success! Please see this month's requests:

- My colleague and APICS Board member (who won APICS Board member of the year in 2012 and is CPIM certified) is looking for opportunities in operations leadership, supply chain and/or supplier development. Please email [Tony](#) if you have connections and/or opportunities.
- One of my mentors and former client's talented son is looking for a summer internship preferably in the medical device industry. He's a 3rd year undergraduate at UC San Diego studying bio-physics and economics. He's also proficient with JAVA. Please email [Christopher](#) directly.
- I'm thrilled to announce that my APICS (Association of Operations Management) chapter is going to have our 2nd Annual Executive Panel & Networking Symposium on April 20th at Eagle Glen in Corona. It was a huge success last year, and we plan to build upon our momentum - register on [our website](#). Also if you are interested in volunteering, please [email me](#).

- My Ontario ProVisors group (a community of professionals who serve their clients as trusted advisors and collaborate for success) is looking for top notch Inland Empire attorneys and employee benefits professionals. 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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