



February 2018 - Issue #144

Welcome from Lisa

I was quite involved with the Manufacturing Summit - leading the innovation awards, being a panelist on the Amazon Effect: Pass or Play session and more. From there, I dropped in on a consulting conference for a day in Carmel (definitely not a hardship of a spot to visit!), participated in a Board meeting for the University of LaVerne's College of Business and Public Management and planned out the semester with my two Pomona College interns.



And to mix it up, I went bowling with a ProVisors group, even though I pulled a muscle in my leg and so had to figure out how to bowl ending on the opposite leg. It worked well at times but I somehow lost my left-footed steps half-way through and went from 2 strikes in a row to gutter balls. Not good.

IN THE NEWS

Please check out my latest speeches, articles & quotes:

- **Featured in SAP's eBook** "Seizing the Digital Advantage with Cloud: 21 Experts Paint of Vision of Intelligent Cloud ERP Breakthroughs"
- Quoted in *CIO's* article "8 Ways You're Failing at Change Management".
- Spoke to APICS San Gabriel Valley on the "Latest Trends in Manufacturing Technology and Business".
- Featured in *Inland Empire.US's* article "Manufacturing Summit to Explore New Technologies and Opportunities"
- Quoted in *SAC's* article "Future AI Technology Neither Panacea nor Threat".

In March, I'll be speaking at the Rancho Chamber's Manufacturing Roundtable on "[Process Improvements, Process and Change for Manufacturers](#)" and I'll be a panelist on the Softengine/ SAP webinar, "[The Amazon Effect is Driving Dramatic Disruption: Are You Ready?](#)".

I'd enjoy seeing you at one of these events.

Last but not least, you'll notice a new visual on my [homepage](#) of the supply chain, and it is discussed along with some interesting brief visualizations in my *Strongest Link* article. Take a look and let me know what you think.

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.

Profit through People A Human Capital Checkup

In honor of the Innovation Awards, it seems appropriate to discuss the critical importance of human capital. Innovation occurs with the engagement and involvement of your people. That's why there is a specific category of the Manufacturers' Council of the Inland Empire's innovation awards for just this topic.

Have you ever thought about how to answer these questions:

1. Why is HR a transaction department? (and therefore not part of the executive team)

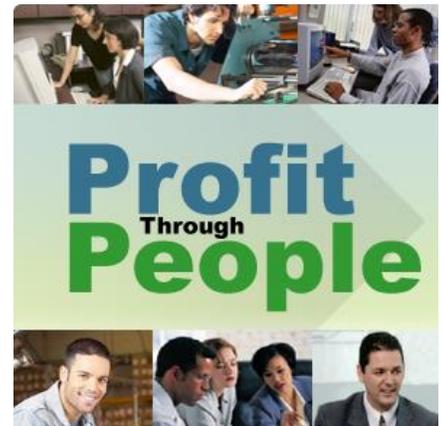
In the vast majority of organizations (big and small), HR is solely or mainly focused on benefits, payroll and the like. As an aside, thank you to my HR mentor who broke the mold with transformational HR -Debra Daniels. Without her, I would not have the same level of capability to partner with clients to deliver bottom line business results as it starts with the people.

2. Why do we focus on saving pennies when sourcing top talent? Interestingly, we put these folks in charge of millions of revenue, profit and inventory dollars, yet don't want to invest to find them.

2. What percentage of our executive meetings focus on people? We can get quite carried away in talking about customers, technologies, products and more. How often are we talking about people?

3. Do we invest in training and development? Since I am president of [APICS Inland Empire](#) that specializes in education for supply chain and operations professionals, it is quite clear which companies and/or executives in our area support this type of program and which employees decide to take personal responsibility for their development. Have you taken stock lately?

4. Do we invest time? This is FAR more important than the money as we learn through example and mentoring at a much quicker rate and more comprehensively. I remember the pressures of the VP of Operations and Supply Chain role - it is quite tempting to put off even the 15 or 30 minute performance or goal setting discussion but DON'T!



5. Are we afraid to take on risk at the detriment of our people? This is especially tough in California since it can be a challenge to address employee issues; however, going back to my HR mentor, she always said, "take the appropriate actions to address employee issues". In essence, don't back down from respectfully addressing employee issues head on or it will likely be at the detriment of your business and the disengagement of the rest of your employees. It's no wonder 85% of employees are not engaged according to the latest Gallup poll. If you need a referral to a top notch attorney to run issues by, [contact US.](#)

Did you like this article? [Continue reading on this topic: Do You See Your People as Assets or Expenses?](#)

Eagle Eye

Have You Thought About Crossing Borders Lately?

There was an export panel at the manufacturing summit, and it brings to light the vast opportunity of export. Additionally, I had a lunch with a top international attorney and an international research expert recently, and it opened my eyes further on the topic of export. Why do we always think about import but forget to export?



Less than 1% of America's 30 million companies export, and less than 39% of US manufacturers export. Of those that export, 58% export to only 1 country. Why? What is going on? In the same breath, the statistics show that Made in the USA is a compelling proposition and there is VAST opportunity to sell products in other countries. You don't even have to go far with Canada and Mexico at our borders.

According to a study published by the Institute for International Economics, U.S. companies that export not only grow faster, but are nearly 8.5 percent less likely to go out of business than non-exporting companies. Are we not interested in profit???? This panel has found success in export.



For example, [Kusum Kavia](#), president of Combustion Associates discussed the success her company has had in exporting to Africa as well as many other countries. They were featured in the cover story in Global Trade Magazine as well as recognized by President Obama at a US-Africa Leaders Summit. She credits many collaboration partners in this success such as the Export-Import Bank and trade specialists at the US Department of Commerce.

Another Inland Empire manufacturer and APICS-IE supporter, Roy Paulson, president of Paulson Manufacturing has achieved great success with exports. They have grown rapidly and significantly through export, and he has served on the president's export council. Why not get a boost to your sales revenues while providing value in other countries?

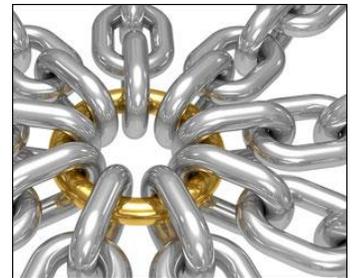
There is also far-reaching support for global logistics, banking and exchange rates and much more. Why not look into whether your products might be of interest to other global markets? You might just discover a goldmine!

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

[Global Manufacturers Struggle to Keep Up with Demand - Are You?](#)

The Strongest Link in Your Supply Chain What is the Supply Chain?

Certainly, we are well-known in supply chain circles; however, what does that mean? This topic has come up somewhat frequently lately - should we call this position an Operations Manager or a Supply Chain Manager? Which will get us the best fit talent?



Because we are known as supply chain experts, we continue to talk about the supply chain even though LOTS of people - including potential clients - are unsure what in the world that means. For a while we talked about operations but that definitely didn't provide the appropriate vision since our passion surrounds providing bold customer promises and profits. Nowhere does operations convey customers and growth. We also talk about manufacturing since it is our sweet spot within the supply chain! As the slogan touted at the Manufacturing Summit's reception on Valentine's Day, "We love Manufacturing". The bottom line is the "what to call what so many companies desperately need" dilemma has proven frustrating!

In our case, we have decided to convey our vision of the supply chain in pictures - who doesn't like a good picture? (Note our updated [homepage](#))



I brainstormed this topic a while back with my global consulting strategy group (and so I want to give them a shout out and thank you), and we had fun creating concepts to visualize the supply chain:

1. From cradle to grave - It certainly does go from beginning to end -and beyond with reverse logistics and after sales support. It is a bit dreary but nicely descriptive -and there are plenty of clients who should put some items, customers and poor performers 'in the grave' sooner than they do. Have you noticed this too?

2. From inception to reception - This appeals to me as it spans the inception of an idea for a product or service to the reception by the customer or client.

3. Coal to car - A manufacturing metaphor related to the same theme so, of course, I appreciate it. Henry Ford owned the coal mines that made the steel that made the car.

4. From concept to cash - This also appeals to me because it conveys the result of the supply chain - translating concepts into cash.

5. Creation to application or creation to customer- Appealing from a creative and technology point-of-view. I have to say - many clients have issues in 'application'. And, many people who know me will say, "how did you come up with 2 more C's with creation to customer?!"

6. Significance to service - Since I have a passion for the customer side and wholeheartedly believe that you won't have happy customers without happy employees; thus, significance to service hits the nail on the head as well.

Do these provide a picture of the supply chain? Which do you like best? I hope to hear from you!

One last thought on supply chain. You'll notice that purchasing is only one aspect of supply chain; logistics is only one aspect of supply chain; and so on. In fact, isn't the supply chain never-ending? It doesn't really end but feeds the next loop within the supply chain?

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

[**Manufacturing is HOT**](#)

The Systems Pragmatist

Technologies of Disruption and E-Commerce

I participated on the Amazon Effect: Pass of Play at the Manufacturers' Council of the Inland Empire's Manufacturing Summit. [B.J. Patterson](#), [Dan Vest](#) and I had an interesting discussion about the technologies of disruption. Certainly Amazon has led the way with several of these....

For example, e-commerce directly correlates to Amazon. Who doesn't want to order 1 toothbrush or 1 can of carpet cleaner at a time and expects it to arrive within 24-48 hours? It appears as though we all do! Yet we don't think about what it takes behind the scenes to make this happen.





For example, the panel mentioned several challenges:

1. Short manufacturing lead times - since we need whatever the customer needs within a short period of time after the customer thinks of it, manufacturers are also impacted. We must have quick lead times, customize on the fly and be on the lookout for changing customer expectations and perceptions.

2. Warehouses and 3PL's - It is definitely different to ship 1 each instead of 1 pallet or even 1 case. In fact, it is so different that warehouses that support both types of business typically need to set up two separate warehousing operations, whether in separate buildings or segregated in the same building. There is also quite a bit of technology and automation needed to operate successfully.

3. Transportation cost - A tough one! If a truck, train or plane delivers 1 each or 1 pallet, it still costs the same amount of gas, drivers, maintenance etc. Since you cannot ship 1 each by itself, it takes up far more space per each when boxed up individually than that same each does in a pack, case or pallet. Further, if you have enough freight going in the same direction, of course you can combine freight but with last-minute needs, it can prove quite the challenge outside of the metro areas.

4. Last mile - Even in a metro area, how do you get to the last mile (to each consumer)? This is where Amazon has partnered with people like the US postal service since they are "in the business of delivering the last mile".

5. E-commerce systems - Customers expect to be able to receive 24/7 service via interactive websites customized to them. Sometimes, they also expect personal service to accompany the on-line tools. What's involved in getting your catalog on-line, pricing loaded and systems in place is far from a no-brainer.

6. Cost impacts - there was quite a bit of discussion on the panel about the margin pressures created by this Amazon Effect. What can we do to counteract these margin pressures? Dare we say we circle right back to innovation?

And the list could go on and on.....

Are you thinking about what seemingly unrelated topics like the Amazon Effect might mean for your business even if you don't supply consumers? The impacts can be far-reaching and significant.

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

[***The Amazon Effect is Driving Dramatic Disruption***](#)

Connections

- Do you know a top notch commercial real estate broker in the Inland Empire or surrounding area? Please introduce **me**.
- A client in Ontario is looking for an Operations Manager with solid execution skills and an understanding of financial impacts. **Contact me** with referrals.
- Two clients are searching for a planner/ buyer -one in Ontario and one in the City of Industry. **Contact me** with referrals.
- A colleague and experienced VP of Supply Chain / Operations with experience in High Tech, Retail, Consumer Products, Manufacturing, Energy & Chemical, Automotive, Metals, Mining, and Logistics is searching for his next opportunity. If you know of a good position, please refer **Brian Reed**.
- 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 plans to rejoin the market in 2018 in the San Fernando Valley area. 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.

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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