



January 2018 - Issue #143

## Welcome from Lisa

Hope your year is off to a **STRONG** start. I've seen with my clients that getting out of the gates quickly - and with power - can go a long way to creating a great year.

I've been up to 'my usual' - went to Arizona to help my mom with some projects, and I've been involved in all sorts of events (such as the Manufacturing Summit, speaking on the latest manufacturing and technology trends, and attending presentations such as the economic forecast) and am working to "do what I suggest" by kicking off the year with power.

Since time flies and it will be here before we know it, I'd like to wish you a Happy Valentine's Day. Take time out to "smell the roses" - remember, there is no "power" if you don't have a well-rounded life.



Don't these cupcakes look outstanding? I wouldn't pass up chocolate....

Speaking of Valentine's Day, we are kicking off the Manufacturing Summit with an executive reception the late afternoon the day prior (Feb 14th). I'm excited to announce the Innovation Award winners at the Summit, and I'll be speaking on a panel about The Amazon Effect. [Join me there.](#)

## **IN THE NEWS**

Please check out my latest speeches, articles & quotes:

- Wrote an article for *CFO.com* on "[8 Ways You're Failing at Change Management](#)"
- Featured in *Accent Computer Solutions'* article "[2018 Predictions from 18 Southern California Business Experts](#)".
- Spoke to APICS San Fernando Valley on the "[Latest Trends in Manufacturing Technology and Business](#)".
- Featured in *Supply Chain Digital's* article "[Blockchain, IoT, data and robotics "game changers" for supply chain industry in 2018](#)"
- Interviewed for *USA Weekly* on entrepreneurship.

Last but not least, if you missed my speech on the latest trends in San Fernando Valley, you'll have another chance to join us. I will also be speaking at [APICS San Gabriel Valley](#) on Manufacturing and Supply Chain Trends in 2018.

Please come check out my panel at the Manufacturing Summit, "[The Amazon Effect: Play or Pass - the New Sales and Distribution Game and How It Affects Manufacturing](#)".

Enjoy!  
Lisa

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

P.S. If you know of anyone who is interested in achieving scalable, profitable growth, please refer them to [us](#).

## The Systems Pragmatist A Systems Checkup

Early in the year is an appropriate time to perform a systems audit. Most clients could benefit from this at any time of the year as we often discover some significant gaps. A subset of the questions we look into further include:

- 1. Do you have clarity of your current processes?** It certainly seems apparent to start here but there are many clients who would check a box less than a "B" rating. How about you?
- 2. Do your people and/or facilities perform processes in a standard way?** Do you want them to do this? Or do you encourage differentiation? There is no right answer across-the-board here!
- 3. Do you know how to utilize your ERP system to support your core processes?** Do you hunt and poke around until you figure it out or is there clarity for the basic elements of the process? Perhaps take a step back - does anyone know how to use the system to perform these processes?
- 4. Do you look for opportunities to further leverage your ERP system by joining user groups, going to conferences, brainstorming with your team etc?** The vast majority of companies use 20% of an ERP system's functionality. Moving the needle to 30% of the best functionality for supporting your business objectives can accelerate results.
- 5. How do your processes and systems interface with your customers, suppliers and other supply chain partners?** If you don't know, find out! You might be missing a HUGE opportunity.

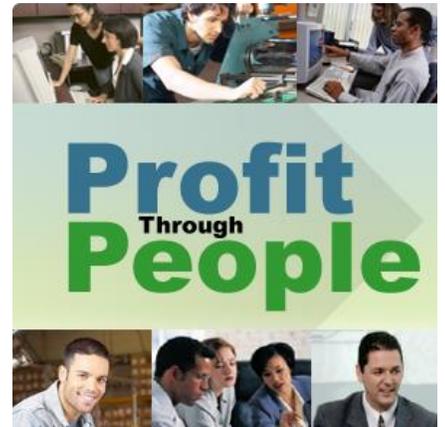


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[Are You Leveraging ERP Fully?](#)

## Do You See Your People as Assets or Expenses?

Take a few minutes to ponder this question: Do you see your people as assets or expenses? We all might like to jump to the answer of assets but is it true? A few questions to consider include:

1. If sales are down for the quarter, do you think about investing in people to grow the business or cutting back on people to keep margins steady? What really pops into your mind?
2. Do you hold brainstorming sessions with just your leadership team or do you actively solicit input from the people on the floor, in the field, on the phone etc.? If you ask, do you plan to look into it or are you just checking a box that you asked?
3. When reviewing financials, do you keep them to your leadership team/ inner circle or do you share the main elements with everyone (while explaining the numbers and soliciting feedback)?
4. If you run into cash flow challenges (due to growth, investments in technology, a non-recurring write-off etc.), do you immediately think about who you can cut? Or do you look at the situation holistically and think through how to address? For example, when I was VP of Operations, we ran into temporary profit issues and the Board wanted to cut people; however, the largest cost was materials. We pushed back to keep our people and focused on how to reduce scrap which would provide a 10 to 1 return vs. labor which might actually cost more if scrap went up at all due to the lack of people.



You don't have to share your answers; however, think about them. If you think about people as expenses, even occasionally, somehow they start acting like expenses. It seems to work that way in every situation I've seen it.

**Did you like this article?** [Continue reading on this topic: 6 Questions Predict People Success or Failure in 2018](#)

## Do You Have an Eye to the Future?

Do you have an eye to the future? Don't just answer yes and move on. Take a few moments to consider this question. In today's Amazon-impacted world, if you miss a few months buried in your isolated internal world no matter the reason, you might miss a noteworthy event, trend or comment that could put you behind the 8 ball with no hope of catching up.

A 3-5 year strategy session once a year NO longer cuts it. We are all in a strategic sprint. In most industries, even going beyond one year out is a wasted exercise. Instead, we should keep an eye to the future and build agility into our strategy setting process. So, what are some ways we can keep an eye to the future?



**1. Pick up the phone and call a customer** - Those clients who talk frequently to their top customers are far more successful than those who don't. Of course everyone is busy. Offer value and make it is your customer's best interest to keep in touch. You'll know more about what's going on in the marketplace than those buried in month-end numbers, Board meetings and strategy sessions.

**2. Attend an industry conference** - Why do all the work yourself? Network with those who are uniquely positioned to keep track of the latest trends and what might impact your industry.

**3. Have lunch with an old alumni friend** - You might wonder how this would help if your friend isn't in a related field or isn't a business owner or executive. Keeping an eye on what's happening in the world around you and gaining insights from trusted colleagues in different industries can provide some unique perspectives you won't gain anywhere else.

**4. Involve your team in keeping an eye to the future** - Certainly, if you provide the vision to your team (no matter the level), explain how the company is performing and encourage them to keep an ear to future trends, people will be happy to contribute to success. We find that the best trends can come from unlikely places - the secretary you didn't even notice or the person shipping orders who talks with UPS drivers.

**5. Watch the latest trends globally, economically** - We are often surprised by how seemingly unrelated events throughout the world will impact suppliers, transportation channels, exchange rates or something else that will have a direct impact on business. Subscribe to newsletters that can keep you up-to-speed on highlights, read the Wall Street Journal, talk with colleagues etc.

**6. Go visit a supplier** - Don't assign this to your procurement professionals solely. Suppliers and trusted advisors can provide a wealth of knowledge that can help you navigate your path forward successfully.

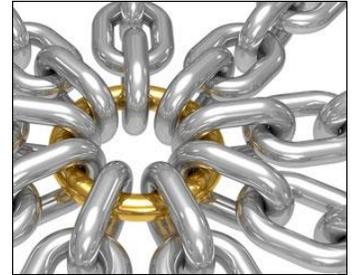
**7. Join a CEO or key executive group** - The problem with being at the top is that there is no one to talk to. Find a new group of peers to ask the hard questions and keep you on track.

When you have a good idea of the future, you will position your company, your people, your processes, your infrastructure, your supply chain and more for success!

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[Keep a Strategic Eye](#)

In supply chain circles, there are lots of exciting concepts to discuss and debate such as lean, master scheduling, theory of constraints and many more; however, we have found that our most successful clients start with the customer!



If you concur that we are in an Amazon-impacted marketplace where the customer is king (no longer is it cash!), prioritizing demand planning is essential. Do you have a position focused on demand planning? Or do you have someone who knows it is at least part of their focus? Does anyone realize its importance? Let's discuss the value...

**1. Without customers, you have no company** - understanding their needs and what will compel them to buy from you vs. the competition couldn't be more important.

**2. Do you know how your forecast compares with the recent past?** - Again, understanding your customers and why they are changing couldn't be more important to positioning your business to succeed long-term.

**3. Let's take a step back - do you have an idea of what you think you'll sell this year?** - Let's hope so! Imagine how hard it will be for your HR resources, your operations resources (to determine which machinery to prioritize, purchase and train on), your suppliers and more to run efficiently while serving you and your customers if everything is a surprise.

**4. Is your sales mix changing?** - We've seen many clients who spiral into a mess not because they don't have a forecast but because they have no idea that the product mix has changed. Different products come with different materials, different skills, different complexity and different requirements overall.

**5. What is the timing?**- We've also seen clients with predictable annual sales (actually incredibly predictable) yet the monthly, weekly and daily sales could be vastly different. Operations couldn't keep up. The customer suffered. Margins declined. Timing matters!

We would venture to estimate that 99% of our clients can benefit from an increased focus on demand planning. Why not give it a go? If you would like an audit of your current process, please [contact us](#).

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

[\*\*Forecasting: How Far Should You Look into the Future\*\*](#)

## 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***.
- A client in Torrance is looking for a contractor for one-year term who could fill an IS Project Manager role to coordinate an ERP implementation from the client side. NAV experience and/or implementation / business process experience desired. ***Contact me*** with referrals.

**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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