



July 2015 - Issue #113

## Welcome from Lisa

I had a VERY busy month with an intensive ERP demo week, an intensive systems/ process design week, a weekend trip to help my parents with projects, a 6-day road trip with my brothers and nephew to 5 different locations in 3 states (see below for one of those spots) and two SIOP projects simultaneously - yes, I am exhausted!

I was impressed with the beauty of the Colorado River (outside of Page, AZ) - see the picture below. My nephew loved running through the 47 degree water. It was mighty cold; however, I just put my toe in to test it out. It was also my first time to the Grand Canyon's north rim. Beautiful but stressful with my nephew running close to the rim. And of course Vegas & Southern CA are always hot spots.



I wouldn't say my road trip was relaxing; however, it is good to get away from work to rejuvenate and have time to think. Do you set aside time to think each week? You don't have to go to the Grand Canyon to do it - even sitting outside at your favorite restaurant might work just great.

### **IN THE NEWS**

Please check out my latest speeches, articles & quotes:

- Quoted in SAC's article, "[Challenges of a Growth Economy Should Not be Underestimated](#)".
- Published an article in *California CEO* "[How to Navigate the Skills Gap](#)"
- Published an article in *Project Times* "[Project Execution Paramount to Success](#)".
- Interviewed for the *L.A. Times* article "[L.A., Long Beach Ports Losing to Rivals Amid Struggle with Giant Ships](#)".

As promised last month, my [video clip](#) has been released that promotes my APICS 2015 presentation, "[Priming Your Supply Chain for The Amazon Effect](#)". To learn more and register, click [here](#).

Take a bit of time out to rejuvenate and think while the summer is still here!  
Lisa

Email

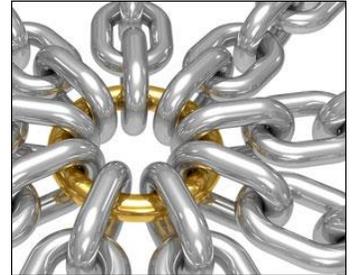
LMA Consulting Group, Inc.

P.S. Please think of me if you should know anyone who would like to elevate their business performance.

The Strongest Link in Your Supply Chain

## Is Your Supply Chain Ready for Growth?

Several of my clients are in the aerospace industry. In that industry, supply chain readiness audits are commonplace. These are especially prevalent today as growth in that market is substantial. Companies must be prepared for significant growth to support the doubling of the world's fleet in the next 20 years to give their customers comfort in their long-term viability.



Although this is especially prevalent in aerospace, I'm finding double digit growth widespread in the marketplace today. How ready is your supply chain?

There are several aspects that should be reviewed to make sure growth will be seamless. A few of the top ones include: 1) Capacity readiness. 2) Staffing readiness. 3) Supplier readiness. 4) Financial readiness. 5) Process readiness. 6) Systems readiness. 7) Network readiness.

1. **Capacity readiness:** What is your projected demand? Turn that demand into machine hours. Do you have enough machine capacity to support it? Make sure you look out into the future long enough to cover growth with plenty of time to research, order, install and ramp up your machine(s) successfully.
2. **Staffing readiness:** Similar to capacity readiness, it is also imperative to review staffing. What does your demand plan say when converted into people needed? How many do you need to hire? What support positions are required? Do you need to fill gaps with temps or contractors? What skills are needed? This will also lead to cross-training and skills development. Neither can be accomplished overnight; however if you start months and years in advance, you'll be successful.
3. **Supplier readiness:** Once you know what you'll need to produce and outsource, you'll know what supplier support will be needed. Are your suppliers ready to grow at the rate required? Do they even know about your growth expectations? Will you need additional suppliers? Will you need to partner with your supplier to create new materials/ products?
4. **Financial readiness:** Growth requires cash. It seems like such a great problem to have; however, growth causes far more complications than contractions. Although unpleasant, it is easy to figure out how to cut back yet it is not so easy to be prepared for growth. Have you figured out what your capacity, staffing, supplier support and other infrastructure requirements will be? Do you have the cash to support the ramp up? You will have to pay before you get paid. Cash flow planning is essential.
5. **Process readiness:** Doing more of what you've been doing is rarely sufficient. Instead, consider process improvements. Will lean principles improve your ability to grow quicker? Will SIOP (sales, inventory, and operations planning) support your growth? Are your foundational processes sufficient to support double digit growth? Are there opportunities to be more efficient and/or create customer loyalty? How about customer collaboration programs?
6. **Systems readiness:** One of the best ways to support growth without adding significant overhead is to leverage systems. Most companies use 20% of their ERP systems at most; consider how to increase that percentage in the "right" functionality to support your business. Is there additional technology that could provide a massive return on investment and support your growth? Keep updated on technology trends and pick those that will fit with your strategy and help deliver results.
7. **Network readiness:** Remember to think about your entire supply chain network. Are you producing the right products in the right facilities at the right time? Is there an opportunity to re-balance and improve your ability to grow profitably? Where are your customers and suppliers in relation to your facilities? What types of transportation and distribution nodes do you utilize? What lead time should your network support? There are many considerations to think about when evaluating your network.

Although evaluating your supply chain readiness is paramount to support growth, there is no reason to wait for your customers to request an audit. Integrate supply chain readiness into your yearly strategy review process. This way you'll be in front of your customers and ready for unexpected opportunities. Imagine the possibilities to grow quicker and larger!

**Did you like this article?** [Continue reading on this topic:](#)  
[Leverage Supply Chain Trends for Success](#)

The Systems Pragmatist

## Why Care About Systems Transactions?

As mundane as system transactions seem, I continually find that whether or not they are deemed a priority can make the difference between a successful operation or not. The bottom line is that my clients who make sure they design the optimal process, document the systems transaction steps and ensure the timely and accurate execution of transactions succeed.



If you think of it like building a house, system transactions are part of the foundation. If you have an unstable foundation, no matter how much money you put into your house, it will be unsteady. Unfortunately, I've seen this occur a few times. When growing up in Schaumburg, our house was built on an unstable foundation and began to sink. Thank goodness my Mom got the builder to help resolve the problem after much ado. The foundation had to be shored up to resolve the issue which was much harder/ costlier to resolve later than it would have been when building. On a lesser scale, the wood floor in my house had HUGE gaps a few months after moving back in (after it was rebuilt due to a fire). Several months later, it took taking the wood floor up and re-leveling the floor with cement and sanding it down to resolve.

Thus, make sure one of your key managers is responsible for transactions. They should not be an after thought. Instead, design or re-design transactions to optimally and most efficiently leverage the system to track appropriate data. I've worked with several clients to accomplish this task. In every case, inventory accuracy improved greatly. This contributed to improved customer service (as they could find what was needed to ship), reduced inventory levels and freed up cash (as they could count on what they had and so didn't need to keep extra stock just in case), and improved efficiencies (as they could optimize their processes). Emphasize the importance of transaction timing and accuracy. Provide training and make sure priority is clear. For example, it is not enough to say transactions are a priority but de-prioritize if overtime is required to complete them.

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[Transaction Criticality](#)

## Have you Recognized Your Employees Lately?

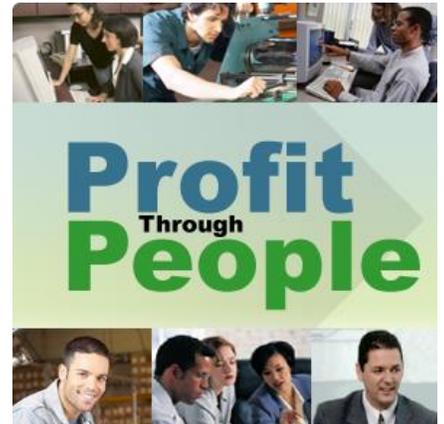
One of the most successful yet NO cost ways to create employee engagement is to recognize them. It can be as simple as saying thank you. Have you said thank you to any of your employees or peers lately? Find a way to say thank you at least once a day. Look for opportunities. Have they gone over and beyond? Have they finished an assignment early? Did they make a suggestion? Were they helpful to another employee? There are countless opportunities to say thank you.

Another way to recognize employees is to give them meaningful work. Make sure you communicate the value of the work your employees are performing. Look for opportunities to give them a meaningful project - either something important to the company's success or something the employee is interested in. Tell them you are recognizing their hard work and ideas with a special project. Ask if there is something they are interested in?

Recognize your employees in public. Write about their successful ideas in a company newsletter. Give them a gift card for dinner at a company lunch. Recognize the best with awards once a year. Typically these small gestures go a long way as the employee knows you were thinking of them and are able to share it with their colleagues.

Last but not least, recognize your employees with what is meaningful to them. Find out about your employees. Some might prefer to take off time in the middle of the day to go to their child's school assembly. Others might prefer the opportunity to take a day off from time to time. Another might prefer to work on a priority project. Another might like to go to an Angels game. If it is meaningful to the person, it will go a long way!

**Did you like this article?** [Continue reading on this topic: The 3 C's to Leadership Success](#)



## Do Your Executives Have Vision?

In thinking about an eagle's eye (in concert with my [Eagle Eye service line](#)), it comes to mind that vision is a key contributor to success. An eagle can see 4-5 times further away than a human, colors are more vibrant etc. They also have an amazing ability to zero in on their prey. In order for an eagle to spot it's prey, it needs to have vision. If you think of these qualities in executives, having a vision contributes significantly to success.

Vision is about creating clarity and purpose around why your company does what it does and being able to **see** further out into the future. Once you understand your vision, it should drive your focus and contribute to all of your decisions. In essence, executives can zero in on the vision to make sure you are going in the "right" direction to accomplish goals and achieve success.

When executives have vision, employees follow. Employees pick up on the understanding and importance of the vision and contribute to its success. You should be able to ask anyone in the company whether vision exists, and the answer will be obvious. Vision provides a great guideline to follow - does activity



xyz fit with the vision? If so, move forward. If not, question whether it is the right next step. It can be as simple as that.

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

## Connections

Connections and relationships are the 80/20 of success!

### THIS MONTH'S REQUESTS:

- My APICS Inland Empire Chapter has a success Spring Executive Panel & Networking Symposium on "Innovation: A Must for Manufacturing and Distribution Success". We are now planning for our fall symposium in November. Please send your ideas for "top of mind" themes ***to us***.
- My Ontario ProVisors group of trusted advisors is looking for an labor attorney, a real estate attorney and a commercial real estate broker. Please ***email me*** with your referrals.
- An excellent Supply Chain Manager with expertise in inventory management, systems, business processes, and project management with a specialty in aerospace in the Wichita area is looking for her next career opportunity. Please contact ***her*** with referrals and ideas.
- I know of a few excellent Supply Chain Leaders who are interested in making a change for the "right" opportunity. If you are interested, 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](#).



**Email:** [landerson@lma-consultinggroup.com](mailto:landerson@lma-consultinggroup.com)

**Web:** [www.lma-consultinggroup.com](http://www.lma-consultinggroup.com)

**Phone:** 909-630-3943