



June 2016 - Issue #124

Welcome from Lisa

I started June by losing June 1st while flying to Sydney, Australia but I made up for it in spades not only by gaining two Saturdays later in the month but also by gaining expert strategic advice from my global advisory board. Each of us left with several great ideas.

Following that, I toured Australia (Sydney, Blue Mountains & Port Douglas by the Great Barrier Reef) and New Zealand (Christchurch, Akaroa, Queenstown, Milford Sound, Rotorura and Auckland). Amazing countryside and fascinating tours. Here's a picture below of the beauty of the fjords in Milford Sound:



I was on the other end of the world for 2.5 weeks - speaking of which, I also went star gazing by Queenstown. It was quite interesting to see the southern sky. It opens your eyes to the other half of the world!

So, of course, I've been quite busy since my return, catching up with clients, articles, and the like. And, I am on the flight home from AZ after a few days of helping my mom with several projects and attending a mass said in remembrance of my dad.

IN THE NEWS

Please check out my latest speeches, articles & quotes:

- Published an article, "[*Winning Leadership Traits for Project Success*](#)" in *Project Times*.
- Next up, I am looking forward to speaking at the International Business group of [*ProVisors*](#) on Global Supply Chain Partners: Associations, Networks & Resources.

Hope you have a fabulous 4th of July!

Enjoy,
Lisa

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

P.S. Check out our rapid inventory assessment offer below (see The Strongest Link section)

In real estate, almost everyone knows that location, location, location is the name of the game. The best house in the wrong location will not sell.

It is imperative to pay attention to location. The same holds true in business success - it is all about people, people, and people. Who do you have on your team?

Lately, in today's Amazon-impacted business environment, we've been working with a few clients to rapidly increase service levels - to maintain happy customers, to grow the business, to gain a competitive advantage and for many more reasons. The degree and speed of success stems directly back to people. Of course, processes matter, skills development matters, systems and organizations matter; however, the 80/20 of success goes to people.

For example, in one case, we were making progress but not nearly as quickly as desired. A new leader showed up on the scene and suddenly progress kicked into high gear - and success started to follow.

Similarly, one of the key factors of our new proprietary process, *TST* for driving supply chain performance is torque. In our example above, the leader kicked up the torque, and we kept an eye on speed and traction. Results followed. Knowing which lever to pull - and when to pull it - is the key to success. And, that goes straight back to people.

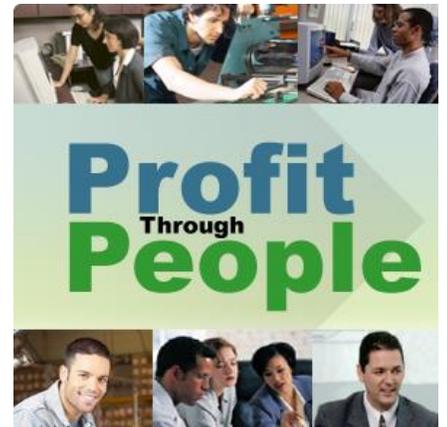
Although this example related to a new leader, we find that success doesn't always require new leaders. For example, we can provide countless examples of empowering already-existing leaders in driving success. Identifying exceptional people - and leaders - is cornerstone to achieving success. Of course, identifying them is not enough. Similarly to identifying a root cause to a problem, the identification alone will achieve nothing.

We cannot tell you how many clients we've worked with that know their problems and understand their opportunities yet made little to no progress when it came to the rubber hitting the road. Thus, once you've identified high potential people, empower them and get out of their way. Provide tools, training and support for roadblocks. Success will follow.

The bottom line is that PEOPLE will ensure that your bottom line hits your objectives.

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[**Profit through People**](#)



One of the reasons my global advisory board has been as valuable as it has been is because it is global. We have people from the U.S., Australia and Japan with experiences from all around the world, and we are supported by a wider community with people from almost every continent. Looking through a U.S. lens might seem expansive to someone who has spent his/her lifetime in one state or on the east coast or the west coast yet it is narrow as compared to global impacts surrounding business on a daily basis.



No matter what you think in terms of politics and the like, it is imperative that you understand global impacts. For example, with the China struggles going on earlier this year, manufacturers should be on high alert for future quality issues. Have you been considering that? When I was in Australia for my strategy session, we discussed the impact of the strong U.S. dollar. Certainly it made my trip less expensive; however, it has far reaching impacts. Which countries should companies source from? Should they hedge? Should they in-source? There are vast numbers of questions to think about.

Within the last week, Europe has certainly had a strong impact on not only the stock markets but the global economy. What will Brexit mean? What decisions should companies be making now for impacts that will occur within the next 1-5 years? How should they mitigate risk?

The Olympics is another global topic. The Zika virus has certainly impacted attendance. How will companies protect their employees? Are athletes willing to take the risk? Money was poured into preparation for the Olympic games. What will happen if it falls short?

It doesn't matter what you think about globalization. It is all around us. The only question is whether you'll be prepared and thinking ahead on how to best prepare and leverage for likely global impacts.

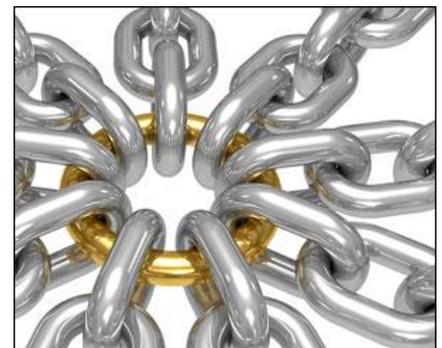
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[***The Impact of China's Slowdown***](#)

Solid Inventory Practices Remain Timeless

Inventory management remains a timeless and vital topic for success. Every so often, we get away from talking about it on a consistent basis because it seems somewhat humdrum. But it isn't!

Earlier this year, I was asked to speak to a group of manufacturing leaders about it because of the ongoing importance. Then, I was asked to speak to a group of quality experts on the topic as it not only is timeless but it also crosses boundaries. Next, a peer group of manufacturing leaders asked me to speak on the topic. I didn't have to be a rocket scientist to realize the importance of inventory to company performance, executives and supply chain leaders.



It started me thinking..... Banking executives understand the critical importance and frequently refer clients for any number of inventory-related needs: how to bring inventory levels down to free up cash, how to bring inventory accuracy levels up to safeguard assets and customer service, how to implement the appropriate protocols to maintain compliance and how to improve inventory processes to increase margins. Executives call about inventory-related topics quite frequently. Boards make it a priority. For example, corporate of one of my current clients (a facility of a multi-billion dollar aerospace manufacturing company) has made it a top priority. Certainly none of these people think it is humdrum!

Are you leaving your inventory processes to an analyst on his/her own? Shouldn't you be asking questions and expressing interest in the metrics? Do you know what's going on with inventory on a weekly basis? We've been consulting for over 11 years as of last month, and 95%+ of our clients asked for or ended up requesting support to improve some aspect of their inventory. It does seem to be a no-brainer since it is a great way to make quick progress with and improve service, margins and cash flow

Our marketing colleagues call these sorts of timeless topics "evergreen". Think about all the impacts to your business stemming from inventory. We have no doubt it will spur you to go ask a few questions at a minimum. As this is one of our strongest areas of expertise and we enjoy seeing the deep impact and benefits to businesses, we have decided to offer a summer 2016 special (July & August) for Profit through People newsletter subscribers - a **Rapid Inventory Management Assessment** for \$5000. To sweeten the deal (as we prefer to ensure results follow), we'll rebate this assessment fee against any resulting (follow-on) inventory projects. If you are interested in getting started, **contact us**.

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[Is Your Inventory System Working?](#)

The Systems Pragmatist

Forget About Cost Savings: Look for Process Opportunities

Have you ever thought about how easy it is to uncover process opportunities? Most executives tell me 'no' as it seems much harder than it is most of the time yet they are very interested in these opportunities to improve their business.

As interested as they are in these opportunities, they seem to always ask their teams to look specifically for cost savings - although there is much to be said for good cost savings projects, they can miss the boat.



Certainly, when I was a VP of Operations and Supply Chain for a mid-market manufacturer, the Board of Directors could not get enough cost savings. It made no sense as growing the business and improving margins is what achieved a significant return on investment yet they always asked about cost savings. With the CEO's support, we prevailed and looked at the bigger picture of results vs. cost alone; however, these demands are not uncommon. Our clients, especially those from large multi-national companies talk non-stop about cost savings. "Corporate demands we find 10% savings." Have you ever heard that before?

What would you say? How would you go about it? Well, first, let us caution against blind cost savings.

Push back. If margin improvement is the true objective, the same priorities might not be pursued. If cash flow is more important, there's no doubt the same priorities wouldn't be pursued in most cases. If growing the business is #1, perhaps priorities related to growth should be pursued which might or might not relate to the same cost savings projects. Dig into the request so you work on the right priorities.

Next, follow the easy path - don't wait for some sort of mandate. Doesn't it make sense to always be on the lookout for what makes sense for your company? Whether that is finding ways to support business growth or reducing costs, there is no reason to wait for someone to ask!

The great news is that there are several ways to uncover process opportunities:

- ASK - simple yet effective. Of course it is not simple unless you care and are interested in the responses. The people closest to the processes will know how to improve them.
- Look around you - it doesn't have to be complex; merely take a look at what seems to be working around you. Have you toured facilities like yours? What did they do? Find the best of customers, suppliers, facilities from other types of industries. Undoubtedly, there are more ideas than you can implement at your fingertips.
- Read - read the newspaper, the Wall Street Journal, trade magazines and the like. You're bound to gain ideas.

The best process opportunities come from the easiest of places. We are frequently called in to resolve issues or raise the bar, and we gain 80%+ of the ideas from the people at the company. We are yet to go into a company and not see untapped potential...have you asked about process opportunities? If you'd like help in rattling these cages to shake ideas loose and speeding up the identification and implementation of process opportunities, **[contact us](#)**.

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

[Hidden Opportunities for Process Improvement](#)

Connections

- Our next APICS Inland Empire executive panel & networking symposium will be held on Oct 29th - do you know a compelling panelist on the topic of Navigating the Global Supply Chain? If so, please **[contact me](#)**.
- My Ontario **[ProVisors](#)** group of trusted advisors is looking for a top notch commercial real estate broker in the Inland Empire. **[Email me](#)** with referrals.
- Hard to believe with the skills gap alive and well but I know two outstanding supply chain leaders looking for a job -one in Wichita and one in New York. **[Email me](#)** with referrals.
- Refer anyone interested in advancing their supply chain and manufacturing skills to take a look at the best **[education and certifications](#)** available.



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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