



March 2018 - Issue #145

Welcome from Lisa

I took some time off to help prepare for and enjoy Easter with my family in Arizona. My mom and I were working non-stop! Then, I was thrown into preparing tax information for the tax experts for my mom, a few friends and me (and reviewing my aunt's). In the mix, I have been seeing clients and prospective clients and attending events. Whew!

Now, I've jumped into the next flagship event for APICS-IE - it will be value-packed and the 'place to be'. RSVP now.

Cindi Mullane
Senior Director
Supply Chain & Operations
Feit Electric

Jon Armstrong
Owner/VP Operations
Do It American
MFG Company, LLC

David Porter
Chief Executive Officer
Rail Delivery Services

Cristen Stier
Accounting & Auditing Manager
Roorda, Piquet & Bessee, Inc. CPAs

APICS
Inland Empire Chapter

**Managing Rapid Growth when
Manufacturing & the Supply Chain is HOT!**
APICS Spring Executive Panel & Networking Symposium
May 5, 2018 | Harvey Mudd College | Claremont, CA

We would love for you to join us, and we have special opportunities to sponsor student tables, and we'd love your support.

IN THE NEWS

First, I am thrilled to have been recognized as

- Top Women Influencer in ERP Technology by ERP Solutions Review

And my latest speeches, articles & quotes:

- Quoted in the *Press Enterprise* article "[Tech Girl: Business leaders' 2018 predictions include a common theme: technology and customers.](#)".
- Quoted in *Harvey Mudd College's* article, "[Harvey Mudd Students Lauded for Manufacturing Innovation](#)".
- Spoke at the Manufacturing Roundtable hosted by the Rancho Chamber on "[Process Improvement, Profits and Change for Manufacturers](#)".
- Featured as a panelist in Softengine's webinar "[The Amazon Effect is Driving Dramatic Disruption: Are You Ready?](#)".
- Interviewed by *Aftermarket Business World* in "[Technology Newsmaker Q&A Lisa Anderson](#)".

In April, I'll be moderating a general session panel at the [Southern California Supply Chain & Logistics Summit](#) on "Freight, Frictions and Future". I also am speaking at the Ontario Chamber's [Good Morning Ontario](#) on The Amazon Effect; at [APICS Ventura](#) on "Current Trends in Manufacturing and Supply Chain" and will be participating as an advisory member for [Norco College's Logistics Management](#) program.

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

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](#).

Eagle Eye

The Economy and the Inland Empire are on Fire!

Since we attended not one but two economic forecast events last week (one hosted by Claremont McKenna and one hosted by the Inland Empire Economic Partnership), we thought it made sense to share the take-aways:

1. The economy has never looked better especially in the Inland Empire - All the signs point up. Even though folks are concerned about when the other shoe will drop, from an economic point-of-view, all appears positive.

2. Jobs at record levels with the Inland Empire leading

California - We are virtually at zero unemployment. Perhaps we need to be concerned about retaining our top talent!

3. Tax law is a boost for manufacturers! The Claremont McKenna economic forecast showed the progression and the definite boost from the tax law. Not only is it increasing profit but it is also encouraging investment. It is likely to lead to interest rate increases as the Fed meets in 2018.

4. The Inland Empire is on fire! First, did you know that just the Inland Empire is larger than 25 of the 50 states, let alone if we added the rest of Southern California? It is leading California in many respects - job growth for one. And it is an attractive place to be in business, surrounded by tons of customers/ consumers, lower wages on average, more space availability at lower prices than Los Angeles and Orange County, access to a growing Ontario airport (with a new international direct flight to China



soon) and with significant advances in technology and access to skills. We believe the IE is the place to be in manufacturing and distribution today! Amazon agrees since they have 21 of their 26 million square feet in Southern CA in the IE!

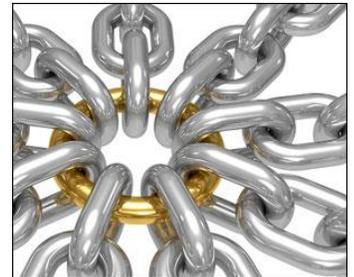
5. And a few cautionary comments... There was a panel of CEO's at the Claremont McKenna economic forecast that spoke about the California minimum wage hikes. These are definitely not popular with manufacturers and distributors who utilize talent in the lower pay scales - challenging to compete with other states of course. At the IEEP, there was talk about the pace of automation and technology. From a profit, customer and competitive perspective, there are lots of advantages. In manufacturing, this is already prevalent and the impacts aren't expected to be dramatically different; however, in distribution, they are just getting started. Although there are several positive points, it will be disruptive in terms of jobs and there will be a need to redeploy these blue collar employees. Lastly, trade can certainly impact the IE - stay tuned. In talking with two IEEP manufacturers, one said the tariffs helped, and the other said it could go well or really, really poorly depending on a few factors.

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

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

The Strongest Link in Your Supply Chain **The Amazon Effect Remains Hot**

Our marketing guru asked whether we should start talking about other topics aside from the Amazon Effect since there are a vast number of key topics occurring in manufacturing and distribution, and she wondered if it was becoming stale (and it's her job to make us look at timely as possible). The answer came in from all angles - conference leaders continue to request this topic, news reporters continue to ask about it (including the Wall Street Journal in a recent conversation) and everyone is STILL talking about it.



For example, when the Ontario Chamber CEO mentioned this topic for Good Morning Ontario, it drew the largest audience to date! Our [Amazon Effect: Pass or Play](#): the New Sales & Distribution Game and How it Affect Manufacturers panel at the Manufacturers Summit was packed. It was fun to participate with two gurus, [BJ Patterson](#) and [Dan Vest](#) talking about this hot topic. Here is a short snippet from that panel for your enjoyment:

Why is the Amazon Effect so compelling?

1. We are in the year of the customer - According to the 2018 predictions by the Tech Girl in the [Press Enterprise](#), the customer was a common theme. You don't have to read the paper to figure that out; just look around you. Every client talks about elevated customer expectations, stemming from Amazon-like offerings. Even my Mom's expectations have been raised significantly - 2 day deliveries are a bit slow in her mind now.



2. Innovation trumps all - Amazon is constantly innovating and trying new ideas. Testing drones, delivering food, leveraging technology (with their e-commerce site, in their warehouses and more), and even the classics such as Amazon Prime (one of the most successful subscription services). Are you innovating?

3 Collaborating with strange bedfellows - From the start, we have been fascinated with Amazon's collaboration strategies. Starting with an entity known for the opposite of innovation, the U.S. Postal

Service - Amazon has been partnering with them to perform deliveries. Did you ever think you'd see a U.S. Postal truck delivering on a Sunday? Whatever you think about the recent news on this topic, it is an interesting choice for a partner. It has not stopped there. They are partnering with Kohl's, the Whole Foods CEO spoke at the APICS International conference (after the purchase) on the collaboration etc.

4. Sheer size and impact - Amazon is bigger than most brick and mortar retailers put together. As of Dec 2016, Amazon's market value exceed Walmart, Target, Best Buy, Macy's, Kohl's, JC Penney, Nordstrom and Sears put together. Currently their market value is \$681 billion. In February, Amazon surpassed Microsoft for the first time. Thus, it is worth paying attention.

Are you paying attention to the Amazon effect? You should be! If you'd like help in positioning your organization for success in today's Amazonian environment and the year of the customer, [contact us](#).

Did you like this article? [Continue reading on this topic: Technologies of E-Commerce and Disruption](#)

The Systems Pragmatist

Have You Heard Horror Stories about ERP?

Since we are known in ERP circles, it is a topic that comes up in conversation frequently. Recently, at an Executive Forums meeting, one member talked about a situation he knew about where the company lost half its sales after a failed ERP implementation, and they ended up reverting back to their old system. Can you imagine? The unfortunate thing is this is not uncommon although it is a more dramatic example.



Yet ERP isn't bad as it is essential in achieving scalable, profitable growth although sometimes it can seem bad and have just horrible results.

Similarly, no particular ERP system is bad; although some are definitely better for your particular situation and growth plans than others. We cringe when we hear about the plans of potential clients who were sold 'ice to eskimos' by ERP suppliers. The challenge is that an ERP system can sound like a significant financial investment and so clients are tempted to not add cost by hiring an expert to assist with the process. However, since it is as significant as it is, when it goes bad, it extrapolates into many times the initial investment with unhappy customers, added cost and more. Thus, it is no wonder clients stick with a 'dead ERP' longer than they should in many cases, which limits their ability to grow - and certainly achieve scalable, profitable growth.

All hope is not lost! Here are a few items to consider when evaluating ERP and whether you should think about upgrading:

- 1. Can you support your growth plans 2 years out?** - ERP isn't something you slam in place unless you want to experience the horrific stories. Start 2 years out. If you will be limiting your ability to grow profitably, it is time. It could be that you are on a system like QuickBooks, or you expect M&A activity or a potential sale, or you have a highly customized system or one that isn't supportable 2 years down-the-line.
- 2. Forget about bells & whistles (cool items ERP suppliers show you) and evaluate a short list of critical success factors for your business** - This is #1 to success in evaluating ERP systems. These critical success factors are items relevant to your profit drivers, maximizing the customer experience, unique to your industry/ company etc. Once you identify them, tie them to functionality.
- 3. Consider your partners carefully** - Although selecting the best system for your situation is cornerstone to getting the appropriate foundation on your house, if you have the wrong partner, you

might as well hang up your hat. The perfect software with the lowest cost proposal from a weaker partner will quickly surpass your highest cost proposal with a so-so partner and double it from there - at a minimum. Selecting ERP partners is quite similar to selecting any good partner - be aware you'll be happily collaborating or stuck with them for quite a long time.

All businesses will go through ERP upgrades at least once or twice every 10-20 years (if done well, more if not). Why not pay attention to how to make one of the most significant investments pay off?

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

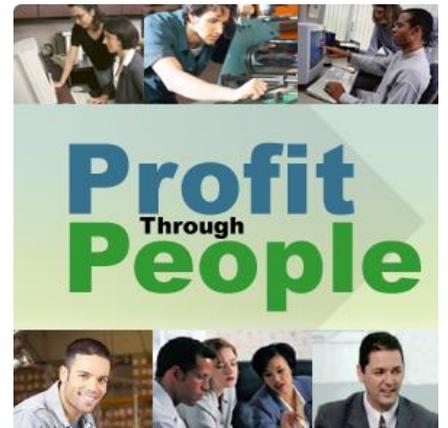
[**How to Know if Your Old Business System is Just Fine**](#)

Profit through People

Who Gets the Talent?

In today's era of growth, talent is in short supply. Clients are finding that they do not have the talent required to support profitable growth, and so they are searching. They are in a tough spot because stealing talent away from current employers has proven quite the challenge. Employers are offering incentives to stay put. The bottom line - there is a war on talent. Who gets the talent?

In assisting a client to find top notch technical talent through traditional on-line sources, we can definitely say it is an exercise in frustration. Although they received many potential candidates through the on-line services, less than 1% were worthy of an interview, and less than 1% of those were viable to hire. It certainly isn't the path to success. Although it dramatically improves those percentages, hiring a recruiter doesn't guarantee success either. We have seen examples of three potential employees with offers back out after getting a counter offer from their employer.



So, who gets the talent?

- 1. Good leaders** - People work for people; not companies. Have you been paying attention to your leaders and whether they are attractive to work for? You better!
- 2. Interesting work** - working for a paycheck is definitely not enough. What interests your employees? Find a way to tie that into their work. Give them opportunities to expand their reach.
- 3. Pay for performance** - Will your employees receive an incentive for improving the company's customer service, helping to grow the business, increasing profit or reducing inventory? If so, they will be more interested in what will directly impact their pay.
- 4. Good reputation** - Does your company and your leaders have a positive reputation? Employees will know. Potential employees will find out. Everyone can look you up on social media channels, talk with colleagues at civic and trade association events etc.
- 5. Develop people** - Do you offer mentoring and training opportunities? Those who do entice employees to learn, contribute and stay.

Why not focus efforts in these areas? Money and time invested in these pursuits will provide a handsome payoff - and an engaged workforce.

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

[**A Human Capital Checkup**](#)

Connections

- Do you know a top notch family law attorney in the Inland Empire or surrounding area? My ProVisors group is looking for one. Please introduce **me**.
- A client is searching for a planner/ buyer in Ontario. **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**.
- A senior executive with experience as a CEO, COO, and Division Leader who delivers significant shareholder value in food and beverage, CPG, equipment and technology companies is interested in a new opportunity and expanding his network. If you know of a good introduction for his network, please refer **Chris Riley**.
- 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 is looking for her next opportunity in the San Fernando Valley and surrounding areas. 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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