



May 2014 - Issue #99

## Welcome from Lisa

Time has flown - it's hard to believe next month will be my 100th newsletter! An exciting milestone....

Speaking of time flying by, funny how birthdays fly by faster and faster as the years go by. I was able to enjoy dinner and a movie with friends on my birthday; however, I ended up flying to AZ that weekend (which also was Mother's Day) because my Dad had another stroke.

I spent a few weekends in AZ and am happy to report that he is back home recuperating. We certainly hope he regains as much eyesight and other skills as possible. And I certainly hope my Mom gets a bit of rest at some point. Life doesn't seem to get easier upon retirement that's for sure!

Prior to this saga, I was completely focused on my APICS Inland Empire Chapter's 3rd annual Executive Panel & Networking Symposium on "Filling the Skills Gap: Putting the "Spark" Back in Manufacturing & Distribution". We had an amazing event - engaging panelists, good discussions etc. Check out one of our pictures below.



Our next symposium will be Nov 8th. Save the date!

This month, my feature article is focused on my flagship **Profit through People** service line and will discuss my views on "Why Communications are so Difficult". No matter how many times it's addressed, it isn't enough as communications can make or break your success.

### **IN THE NEWS**

Please check out my latest speeches, articles & quotes:

- Featured in TRUMPF Express's magazine on The Skills Gap. I'll add a PDF to my "In the News" section if you'd like to read it.
- Published "The 3 C's to Leadership Success" in Project Times and "Are You On-Time, On-Budget and On-Results? Go Back to Basics!" in Executive Brief.
- Quoted in Food Manufacturing's "Survey: Manufacturers Struggle to Bridge Skills Gap", Emergency Refuel's "How Manufacturers Can Preserve the Supply Chain After a Disaster", Industrial Distribution's "Research Study with Measure the Impact of Amazon on Service Standards" and in SAC's "Sonic Boom: Impending Retirement of Baby Boomers Expected to Cause Major Impact"

As always, send your feedback and ideas. I look forward to celebrating 100 with you next month!

Enjoy,  
Lisa

Email

LMA Consulting Group, Inc.

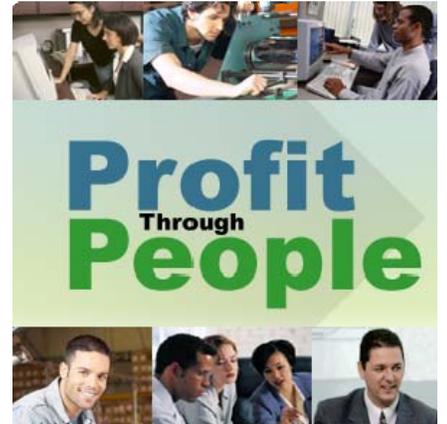
P.S. Please think of me if you should know anyone who would like to connect business objectives with results.

Profit through People

## Why are Communications So Difficult?

In my almost 25 year-career in manufacturing and distribution, I've yet to see a company with "perfect" communications. I've seen a few stars (unfortunately the 20% of the 80/20 equation if that!), MANY poor communicators and several "so-so" communicators throughout the years. On the other hand, I've seen the significant bottom line impact communications can have on business performance. Why are communications so difficult?

My assessment is that communication begins and ends with leadership and often isn't an area of focus. Let's take a manager, director or even CEO of a mid-market manufacturing company. How many do you know who are exceptional communicators? What does that even mean? Think about this situation: If you need to ship an order to your #1 customer or answer an email for your boss or talk with your #1 employee, which do you focus on first? What do you tell the others? Is it any wonder leaders are considered poor communicators in almost every survey completed?



Do the executives institute the values and culture to support communications? Or is it happen stance? For example, I've seen "good" and even "great" people with "good" style and content fail if the values and culture of the organization didn't support communications. And, the reverse is also true - "so-so" communicators can become quite successful in a communications rich culture.

No matter how bleak the situation, don't give up as you can always do something to improve it. The good news is that the vast majority of executives want improved communications. (If not, get out!) Thus, start by focusing on communications and consider a few key factors: 1) the person. 2) Style. 3) Content or lack thereof

**1. The person:** When it comes to communications, the key is to have people listen, contribute and follow. Thus, a few personal traits are vital to success - trust and credibility. For example, I've seen leaders who say "all the right things at the right time with perfect style" fail miserably. In every case, it is due to the lack of trust. Do you believe the leader?

A few years ago, I performed a survey of successful executives to find out what they saw as the keys to success with supplier management. I was surprised that every one of them mentioned trust as #1. Of course, in retrospect, it makes sense; however, it isn't what pops to mind in conversations with my clients about quality issues, customer service challenges, machinery roadblocks etc. Shouldn't it be?

**2. Style:** Have you ever been to a presentation or meeting where the speaker droned on about a topic? I'd be surprised if you haven't. Have you noticed that the same topic can seem fascinating in one setting and absolutely boring in another? It goes back to style.

Take note the next time you are in a meeting at work. Does the leader seem interested? Passionate? Excited about the progress? If not, how likely are the participants to care? For example, I worked with a plant manager who spoke in a slow, monotone. He could have really exciting topics to cover but the meeting participants would be yawning as it seemed mundane. On the other hand, I've also worked with leaders who seemed to make performing physical inventories seem exciting. Hard to believe!

Style isn't just tone of voice. Think about your presence - your appearance, how you sit, whether you ask questions to demonstrate that you are listening, what you do with your hands, eyes etc. There are countless items to consider; however, do not become overwhelmed. Just pick one or two to improve and start there.

**3. Content or lack thereof:** What you say matters as well. Do you convey why the topic is valuable to the company, the department, the team, the person? Do you tell people "bad news" and corrective feedback upfront so that they know they will never be surprised? Do you provide examples so that folks can understand? Do you ask for feedback? Do you seem like you want feedback when you receive it?

For sensitive topics, do you tell people upfront that you will "tell them what you can tell them" and as soon as information is available and OK to communicate, they'll be the first to know? This clearly communicates the truth - as every leader knows, there will be some topics which cannot be communicated upfront. I find that if you follow this approach and people see that you "do what you say you'll do", trust will build. They will understand that you'll tell them as soon as it is feasible. Don't ignore issues and leave folks to wonder. One of the worst blunders is leaving gaps in your communications. I guarantee you that employees will make up worse things to fill the gaps than reality. Remember the old game of telephone? It's amazing what we make up or think we hear.

Communication is cornerstone to any successful organization. Without it, you might as well close up shop. Thus, isn't it worth spending a few minutes to ensure success?

**Did you like this article?** [Continue reading on this topic:](#)  
[\*\*\*Communications Rule!\*\*\*](#)

#### Eagle Eye Strategic Focus Watching Metrics Trends

One of the keys to success for any business is to watch metrics trends. In my experience, if a client watches key trends, they tend to be more successful than most. If they don't, they struggle. Fortunately and unfortunately, it is as simple as that.

One of the first questions I ask when I work with a client relates to metrics. Which do they track? Why? What does the trend look like?

I often find clients who track all sorts of metrics; however, I rarely find clients who not only track trends but watch the trends. It seems laughable that we'd employ people to track information yet do nothing with it but it happens every day. Thus, a few simple steps can achieve significant success.

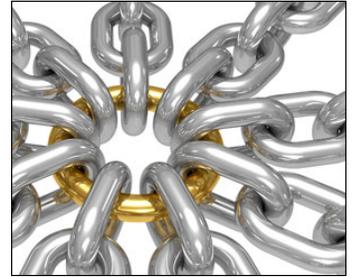


1. **Select carefully:** Pick a few metrics which are meaningful to your business, and throw away the remainder. In essence, FOCUS. For example, in one of my manufacturing clients, they tracked at least 20 metrics yet still struggled to improve service levels. Thus, we threw out the vast majority and selected to follow just those metrics which would indicate whether our service was improving. This focused everyone on these few metrics.
2. **Simple trend:** Develop a simple trend for the metrics. Reacting to a single point in time is often worse than not tracking metrics. Why? Executives jump to incorrect conclusions based on a single occurrence. Instead, react to the trend. Throw out outliers and focus in on significant changes in the trend line. Are the changes explainable?
3. **Act:** Do not just track and discuss; you must ACT. Dig into root causes, develop action plans, put together teams, and make changes. Then take a step back and see whether the improvements are having the expected impact in the metrics. Adjust.

**Did you like this article?** [Continue reading on this topic:](#)  
[\*\*\*Scorecards/ Metrics: How to Make a Difference to Your Bottom Line\*\*\*](#)

## Outsourcing, In-sourcing, Near-sourcing?

For many years, companies outsourced as a natural course of activity. Unfortunately, often times, they didn't even perform an analysis of the total benefit; instead, everyone else was outsourcing and so CEOs, Board of Directors and the like expected it to occur. Now, I host executive discussions and the topic arises in reverse. Let's bring back manufacturing to the U.S. Even Walmart is promoting their investment into U.S. manufacturing...



Of course, I advocate looking at the facts. It is not so easy to move factories, equipment and people all around. Take stock of what you are doing and consider the following factors:

1. **Customer requirements** - Many of the reasons folks are considering in-sourcing or near-sourcing is because customer requirements were missed in the initial assessment. How quickly must you respond? With R&D? Customer deliveries? Answers? Is your process set up to succeed?
2. **Total cost** - I doubt anyone who outsourced thought it would become a cost detriment to do so; however, in many cases, it has! Consider ALL costs - transportation, IP, inventory carrying cost, rising wages etc. We have gotten to the point where the total cost for value-add products is close to equal.
3. **Cost driver** - Consider the costs that matter in your business. Don't bother even thinking about in-sourcing if you produce a small, light-weight commodity product with a high labor component. Of course it will make sense to produce somewhere else. With that said, which country could change as labor and other costs change. On the other hand, if your product is value-add, bulky, heavy and has stringent customer expectations (across the world), I imagine you wonder why you outsourced in the first place.
4. **Strategic** - What differentiates you from the competition? Your product? Your service? Your R&D? Keep what is strategic and core to your business within your control.
5. **Options** - Go back to the beginning. Why are you even considering this topic? What do you want to accomplish? Reduce cost? Get rid of a non-core process? Are there other ways to achieve that same goal? Shouldn't all options be considered?

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

## Hidden Opportunities for Process Improvement

Take any business process. I have no doubt there will be hidden opportunities for process improvement. When is the last time you looked at your processes?

You could follow a program such as lean manufacturing, the Toyota Production System, Total Quality Management and the like. Or, you can just take a fresh look at your processes. You'll be surprised by what a review could uncover. A few methods to help uncover hidden opportunities include the following:



1. **Ask the people performing the process** - Outrageously simple? Possibly; however, in my experience, it is rarely done. Why not start there?
2. **Look for unexpected success** - What caused the unexpected success? Can you figure out how to repeat it? It might be a process improvement opportunity.

3. **Rejoice in unexpected failure** - It might seem odd but unexpected failure can be one of the easiest ways to identify opportunities. As my mentor says, if you haven't failed, you aren't trying hard enough. The key is to learn from your failures and find the key to success. Just think about Edison - the light bulb came after countless failures.
4. **Think about how to dramatically speed up the process** - In today's environment, speed matters. Don't just think about 20% improvement. What would it take to double your speed? It's likely process improvement ideas will emerge.
5. **Ask customers & suppliers** - Whether internal or external, don't overlook the unique opportunity to ask your customers and suppliers for ideas and feedback. How can you improve the link and connections between you? Multiple heads are better than one!

**Did you like this article?** Continue reading on this topic:  
[The Keys to Implementing Process Improvement to Drive Results](#)

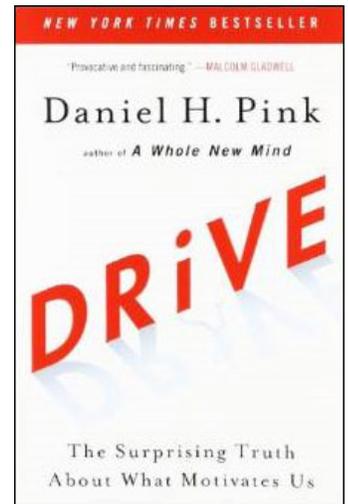
## Recommended Reading

### *Drive*

by Daniel Pink

This book is a an interesting read for business professionals. Don't we always think money motivates us? Daniel Pink proves that it isn't necessarily so. Empowerment might be the key.

[Click here to order](#)



## Connections

Connections and relationships are the 80/20 of success!

### THIS MONTH'S REQUESTS:

- My APICS Inland Empire Chapter just completed a successful spring symposium and would like to get a jump on attracting awesome panelists to our fall symposium. Please email with recommendations.
- My Ontario ProVisors group of trusted advisors is looking for attorneys. If you know of a top notch attorney in the IE, please refer them to me.
- A colleague who is a great combination of a business development guru with extensive operations experience is looking for his next opportunity. He has vast Human Resources experience as well. It's hard to find good people in today's environment and so this could be a rare opportunity. To get in touch with him, email Patrick Flaherty.



### **CONNECTION SPOTLIGHT - DOUG HOWARDELL**

This month, I'm featuring Doug Howardell of Symbiotic Solutions and one of my colleagues at the ACA Group. Doug has vast ERP implementation and project management experience. Although he works with many industries, he has a specialty in aerospace and defense. I go to him with my complex aerospace implementation questions (thanks Doug!). Doug also specializes in IQR software (Inventory Quality Management System). If you are interested in leveraging a software which will work with any ERP system to dig into your inventory to determine how to free up working capital while maintaining service, contact Doug. To top it off, Doug is a pleasure to work with as well.

**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