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What are the Latest Supply Chain Trends?

How can we not only "get through" today's new normal business environment but THRIVE? In my 20+ years of experience as both an Operations Executive and as an entrepreneur and business consultant who has worked with multiple companies ranging from start-ups to multi-billion dollar enterprises across varied industries and geographies, there are a few common keys to success. One of them is to leverage trends. Watch for key trends, spot changes or deviations and adjust and/or leverage these hidden opportunities - long before your competition even sees them coming.

Thus, my focus is on partnering with my clients to take advantage of this often overlooked strategy and deliver bottom line results. As I recently returned from speaking at and attending the Association of Operations Management (APICS) International Conference and had lengthy discussions with a book editor on these topics, I thought it was a good time to highlight the latest supply chain trends. The top few include: 1) Demand driven MRP. 2) Supply chain risk. 3) Supply chain sustainability. 3) Supply chain fundamentals.

1. **Demand Driven MRP** - A game changer! Let's start with the basics - this is the new, fancy name for what I've always found to be the optimal yet often controversial solution for optimizing inventory planning results - reducing inventory levels, improving service levels, increasing operational efficiencies, reducing multi-level bill of material complexity, etc. It supports what is obvious to exceptional inventory planners - traditional planning methods don't work (MRP). If that wasn't bad enough, even the "latest and greatest" concepts don't work: TOC (theory of constraints) and Lean.

Instead, demand driven MRP is a combination of MRP, Lean and TOC, and it "works". Yet no system supports it fully, which is why it is often times extremely controversial. In my early days, I was thrown out of meetings and even roles for speaking a bit too loudly on this topic. Could I really be saying that I wanted to perform a critical function with Excel or Access (only utilizing system data) instead of fully utilizing a multi-million dollar system? I must be insane!

Imagine how excited I was when I saw a name and process put to what "works"! There's no doubt - if you're interested in results, use logic for inventory planning (demand driven MRP). My track record speaks for itself - consistent 50%+ reductions in inventory levels, dramatically improved service levels to the high 90%'s, improved operational efficiencies etc.

2. **Supply chain risk** - Supply chain risk has skyrocketed in the last several years. We've extended our supply chains. Gone global. Added complexity. Experienced natural disasters. Had conflicts (ports, wars, etc.). Suffered dramatic swings in currencies. Seen increased regulation. It has become a staggering effort to minimize and mitigate supply chain risk yet it's vital to success. Those who figure out how to simplify profitably and mitigate supply chain risk will have the opportunity to leapfrog their competition in the new normal business environment.

3. **Supply chain sustainability** - My alma mater (UNC) is a leader in this field, which isn't surprising as UNC is an innovator and ahead of the curve with leading-edge topics. Although I view much of this topic as common sense (again combining what makes sense of best practice manufacturing concepts, lean, green, etc.), there is an increased interest and heightened awareness in today's new normal business environment as it achieves the triple bottom line - people, planet and profit.
4. **Fundamentals** - I typically stick with 3 core points; however, this one is too important to overlook - those companies who block and tackle better than their competition will outpace their competition and grow market share when everyone else struggles to remain flat - or even in business at all.

Think about how these trends impact your business. Since my brothers used to be heavily involved in ice hockey, one of my favorite analogies becomes applicable here: How can you skate to where the puck is going instead of skating to where it is?

Lisa's Tips: Performance Reviews

As this topic is top of mind since I led a webinar for ExecSense on COO Best Practices for Conducting Year-End Reviews, I thought it would make sense to discuss a few tips.

1. **It's not an event; it's a process** - if you look at the yearly review as an event, it will be a waste of time. Instead, view it as a part of your daily, weekly, monthly, quarterly and yearly routine.
2. **No surprises** - you should never show up to a review and be surprised. The most successful and respected leaders provide immediate positive and constructive feedback.
3. **Track progress** - even more important than a yearly review is a brief review of progress, goals and potential roadblocks on a quarterly basis. Why wait a year to find out you are way off course?
4. **360 degree assessments** - these can be a good vehicle for obtaining well-rounded and actionable feedback on strengths and opportunity areas.
5. **Leverage strengths** - don't waste all of your energy and focus on correcting weaknesses. You'll gain more by focusing the 80/20 on leveraging strengths.

Recommended Reading

"Being in Business is a Funny Thing - Getting Out is Not!" featuring contributing authors Suzanne M. Graves and Cheryle L. Steddom - an excellent book on critical topics in today's new normal business environment - maximizing the value of your business and how to transition the business successfully. Interesting ideas and concepts that can apply to all businesses!

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