



November 2013 - Issue #93

Welcome from Lisa

October went by in a blur! I was focused on preparing for my APICS (leading professional association for supply chain and operations management) Inland Empire's Executive Panel & Networking Symposium. We had a fabulous session with engaging panelists and interesting discussions on the skills gap. Thanks to YOU for participating in the survey. A press release of the results will follow soon...

Time continues to fly by. Hard to believe it is almost Thanksgiving (and yet it was almost 90 degrees in L.A. today!). Even so, I am enjoying pumpkin pancakes from Mimi's so I can't complain. On that note, I wanted to take the opportunity to thank my clients, colleagues, friends and family for another great year - I value our relationship!

Remember to thank your colleagues and family for often overlooked yet appreciated help and collaboration.

This month, I'm back to my brand, *The Strongest Link in Your Supply Chain*, and I'm excited to share my feature article with you on hot supply chain trends. Tell me which you see affecting your workplaces. As you know, I like to encourage debate and brainstorming.

IN THE NEWS

Please check out my latest speeches, articles & quotes:

- Quoted in *ThomasNet News* in "[Expert's Corner: How Manufacturers Can Preserve the Supply Chain After a Disaster](#)".
- Quoted in SAC's "[What Will Energy Independence Mean?](#)".
- Published "[Personal Branding for the Senior-Level Executive](#)" in *ISM's Inside Supply Management*.
- Published "[Simplicity Is In](#)" in *Project Times*.

I'm excited to have been asked to sit on the [Inland Empire Investor Roundtable](#). The event will be held on January 17th, and I'm looking forward to hearing about interesting ideas with exciting business potential.

I'd really appreciate it if you'd check out my [Linked In Company Page](#) and **follow me** if you enjoy the value. You'll see my blog articles and other items of interest posted frequently.

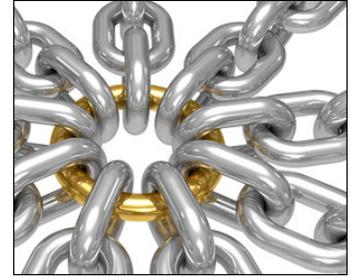
I hope you have a Happy Thanksgiving and enjoy time with your family and friends.

Enjoy,
Lisa

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

P.S. Please think of me if you should know anyone who would like to elevate business performance & accelerate cash flow. I will take good care of your referrals!

An often overlooked secret to success is to be a front-runner in identifying and leveraging emerging trends. Since I work with manufacturers and distributors from small to large and local to global, it behooves me to pay attention to what is in common among my best clients. Undoubtedly, those who jump on the "right" opportunities leave the competition in the dust.



Supply chain has been gaining momentum in executive suites around the globe. According to PwC's Global Supply Chain Survey (2013), when organizations focus on supply chain excellence, they can achieve 70%* higher performance. Thus, paying attention to the emerging supply chain trends can be not only interesting but also can result in increased business performance. The top few include: 1) Demand driven. 2) The Amazon effect. 3) Collaboration remains cornerstone. 4) Leverage supply chain technology. 5) The skills gap.

1. Demand Driven: Over the last few years, demand driven supply chains have been gaining popularity. But what does it really mean? I've found the essence to be simple - start with your customers' demand.

Throughout my 20+ year career as a global business consultant and as a VP of Operations & Supply Chain, I've been responsible for, involved with or partnering with clients to improve demand and supply planning results, and so this topic happens to be in my sweet spot. Undoubtedly, demand driven supply chains are the wave of the future.

It can start off as simple as thinking through historical forecasts and expand in complexity and collaboration from there. The best companies are providing demand data from deeper in their supply chain and working on collaborative planning programs such as auto replenishment, vendor managed inventory and collaborative ordering programs. It doesn't have to be complex - start by picking up the phone to talk with your customers.

2. The Amazon effect: I spoke on a panel earlier this year entitled the Amazon effect, and it has become a term thrown around in conversations. Amazon's plans are to have a distribution center within 5 miles of most major U.S. cities - a game changer! And, didn't we just hear that Amazon and the US Postal service have teamed up to deliver on Sundays! They are taking service and e-commerce to the next level.

Customers expect to be able to shop 24/7 and gain exceptional service along the way. Manufacturers and distributors better get on the bus before it passes them by! How can we set up our warehouses to handle bulk, piece parts, etc.? What technology do we need to ensure full integration so that we can achieve shortened lead times? If there is one item in common among all the executives I work with, it's that no one has time. We must take time out of the equation, just like Amazon is doing.

3. Collaboration remains cornerstone: An often overlooked secret to success is to collaborate. Start in your company - do you partner with other functions in your organization? Simple programs like S&OP (sales and operations planning) create a process of collaboration and yield substantial results. How about internal best practices?

Beyond internal opportunities, we have the ones most discussed at manufacturing and distribution conferences - supply chain collaboration programs. Imagine what can be achieved by partnering with customers and suppliers. I've seen collaborative R&D programs yield margin improvement and increased sales; collaborative planning programs yield substantial cash flow increases in combination with efficiency improvements; and the list goes on.

4. Leverage supply chain technology: Although one of my service lines is to help clients select the optimal system that aligns with their business objectives, I am not a fan of technology for technology's

sake. I often see clients get tied up in a maze of complication while accomplishing nothing - or worse, service declines which is the kiss of death.

On the other hand, the clients who carefully select the appropriate technology to support their business objectives and leverage the core functionality to dramatically improve results are able to leapfrog the rest. Technology is an enabler. For example, consider the following popular technologies which can achieve significant leverage if utilized strategically - e-commerce, CRM software (customer relationship management), advanced planning systems, warehouse management systems and supporting technology etc.

5. The skills gap: My APICS (the leading professional association for supply chain and operations management) chapter recently hosted a symposium on the skills gap as it is prevalent with the manufacturing and distribution companies in the area. As supply chains have become complex (extended in length while considering items such as risk, technology etc.), it has become harder and harder to find top talent.

Especially as the skills gap worsens as folks continue to leave jobs for greener pastures for the first time since the recession and as the baby boomer generation begins to retire, those companies who are ahead of this critical issue will thrive.

Observing supply chain trends is important but it is bedrock to success to develop strategies and plans to utilize this information in a way that will help your business succeed. Do you have a team in place to think about how to leverage the top supply chain trends?

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

The Systems Pragmatist

The Significant Value of Processes

Processes are often overlooked in terms of their value. Everyone knows you should have them, document them and even follow them but few understand their power.

1. **Process review** - One of my most successful approaches in my consulting toolkit is process review. It is simply amazing how much can be learned by observing processes in action. Almost every time I review processes, low hanging fruit is uncovered.
2. **Questioning** - Asking the right questions at the right time is a key to uncovering process potential. It seems so obvious that it is frequently undervalued. Asking the whys associated with processes can yield substantial results.
3. **Systems approach** - A systems approach to processes is the only way to go. This doesn't mean to be rigid and inflexible (as many think when bringing this topic up). Instead, it means to think and design your process in a systems-wide manner.
4. **Documentation** - Of course, don't overlook documentation. There's no need to get crazy but core processes should be documented. Make sure folks have the ability to reference documentation for key functions.
5. **Simplify** - I thought about using process improvement as the key point and decided that simplification is of utmost importance. Simplifying processes can be one of the most challenging pursuits but its well worth the effort - and is an improvement to boot.



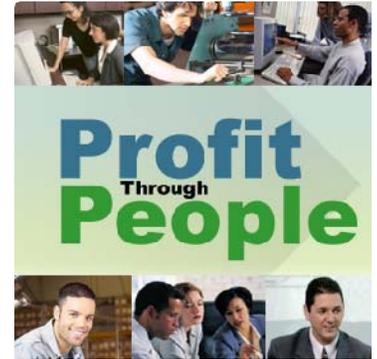
Did you like this article? [Continue reading on this topic: Implementing Processes](#)

I recently partnered with the APICS (the leading association for supply chain and operations management) Inland Empire chapter to complete a survey on skill gaps as it is becoming a critical topic for manufacturers and distributors in today's work environment.

Additionally, we hosted an executive panel discussion on the latest trends and ideas to address the skills gap. Interestingly, I cannot think of a client that doesn't have some sort of challenge with having enough of the right skills in critical areas of the business.

Stay tuned for a press release. In the interim, a few highlights emerged:

1. **Skills gap growing** - Greater than 80% of manufacturers and distributors see more of a skill gap than prior years. It is a topic to think about!
2. **Soft skills rule** - According to one of the panelists in our executive panel who compiles statistics for the ISM, soft skills are gaining in importance. We saw that come through loud and clear as well.
3. **Technical skills are required** - Technical skills have become more of an assumption - a required baseline. As complexity grows in the supply chain, the gap becomes greater.
4. **Problem solving core** - It seems we often worry about complex skills when problem solving capabilities came out on top. What training and development options are you providing to help employees with problem solving skills?
5. **Communications & presentations are key** - On the soft skills side, by far, the most requested and/or largest gap is in communications and presentations skills. In today's environment, they are a must for success!



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

One of the keys to being able to select the "right" strategic priorities at the "right" time in order to ensure business results occur is to be able to take cross-functional experience into account.

It can be a challenge to make a good decision without complete facts. Worse yet, in today's new normal business environment, volatility is the new norm and no one has time to wait. Rapid decisions are a must! Therefore, you do not have time to absorb all related information before making a decision. Instead, you must be able to ask a few key questions to gleam the essence of the core information related to your decision. People with a cross-functional background are better equipped to achieve this.



For example, when implementing a new system, the person responsible for planning will have to participate in critical setup decisions for MRP variables. If planning is their basis of experience, their decisions will likely work for planning; however, they could have down-the-line negative impacts for operations, customer service etc. Instead, if the person has cross-functional experience, it's likely more of those impacts will be included in the decision. As true as this is for this specific example, it also holds true for strategy decisions, key projects etc. How can you gain cross-functional experience or make sure your team has access to opportunities to gain it?

Did you like this article? [Continue reading on this topic: Success with Cross-Functional Integration.](#)

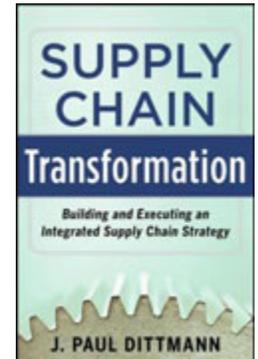
Recommended Reading

Supply Chain Transformation

by J. Paul Dittmann

An interesting book on the value, importance and how-to's of integrating supply chains as a key element of business strategy.

[Click here to order.](#)



Connections

Connections and relationships are the 80/20 of success!

Please see this month's requests:

- Following a successful fall executive panel & networking symposium, my APICS (leading professional association for supply chain and operations management) Inland Empire Chapter is starting to prepare for our spring program on May 3rd. We are looking for compelling panelists - if you are interested or know someone who would be a good choice, please [email me](#).
- My Ontario ProVisors group of trusted advisors is searching for attorneys and marketing professionals. If you know anyone who fits the bill, please refer them to [me](#).
- If you are interested in networking with top notch supply chain and operations management folks in the Inland Empire area (Ontario, Riverside, Temecula, San Bernardino), please join us for our holiday mixer and tour at Joseph Filippi Winery in Ontario - [learn more & register here](#).
- A colleague and APICS Board member with expertise in procurement, supplier quality improvement, and operations (especially with the aerospace industry) is searching for a job or contract project work in supply chain management. If you'd like to get in touch with him, [email him](#) directly.



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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