



November 2014 - Issue #105

Welcome from Lisa

I remember being in grammar school and enjoying Thanksgiving with family. Both of my parents had close families who celebrated the holidays together....you don't see that enough anymore!

Thus, I thought I'd start off by wishing you a Happy Thanksgiving! I have countless blessings to appreciate: my parents are hanging in there (even with multiple strokes and Parkinson's, my Dad is doing so much better than he could be, and as exhausted as my Mom is trying to keep up with my Dad, nephew, aunt etc., she does an amazing job); I've spent time with great friends (in late October, I got together with my two best friends for a weekend getaway in Seattle....my favorite was an amazing food tour of Pike's Place and a chocolate tour of the city); my APICS group had a successful flagship event earlier this month; I'm working with interesting clients and am enjoying pumpkin pancakes as much as possible at Mimi's while they're available: -).



I think this week is the perfect opportunity to take a step back and think about who to thank - you never know the difference you could make!

IN THE NEWS

Please check out my latest speeches, articles & quotes:

- Quoted in *ThomasNet News* article, "[*'DIY' Competitive Intelligence Can Augment Expert Help*](#)".
- Quoted in "[*Higher Customer Expectations Marginalize the Competition*](#)" in *SAC*.
- Published "[*Uncommon Common Sense Project Management*](#)" in *Project Times*.

I am also proud to be featured in *Reverse Logistics Magazine* with the article "[*The Amazon Effect: Why We Must Pay Attention to our Customers*](#)". Take a look and send me your feedback. As you know, I love to stir up debate on critical topics to manufacturers and distributors.

Enjoy,

Lisa

Email

LMA Consulting Group, Inc.

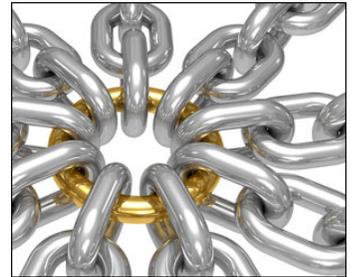
P.S. Please think of me if you should know anyone who would like to connect business objectives with results.

The Strongest Link in Your Supply Chain

Leverage Supply Chain Trends for Success

As the year winds down, it seems an opportune time to discuss supply chain management trends. I find that those clients that pay attention to trends and find opportunities to leverage them often surpass their competition.

I'm working with a diverse portfolio of manufacturers and distributors ranging from \$6 million dollar, family-owned businesses to \$100 million dollar facilities of multi-billion dollar, global companies. When I see trends that cross company-size, geography, position etc., I take note. If you can apply the "right" best practice to the "right" situation at the "right" time with the "right" people, you can dramatically increase the value of the business.



Several of the latest supply chain management trends that pop to mind include:

1. The value of collaboration: Although I've always believed in the value of collaboration, my critics thought it was too "touchy-feely". Imagine how surprised they are to see dramatic growth, profit and cash emerging from collaboration! And now it is gaining in popularity to boot.

For example, SIO (sales, inventory, & operations planning) can yield substantial results by aligning demand with supply, and more importantly aligning the various departments of the organization - and customers and suppliers - on the same page. One of my clients achieved a HUGE increase in service levels (from 60% to the high 90%'s) and a 10% improvement in margins. Not too shabby for "touchy-feely"!

2. Innovate to thrive: Since the world has become complex, global and highly competitive, we must stand out from the crowd. Operational excellence must be an assumption. Instead our focus should be on innovation. Innovation does NOT need to be a new invention or a new product or service. Instead, it can be a new way to leverage already-existing processes, tools, products etc. How can we re-package and combine products and services in a way that provides exceptional value for our customers? Do NOT think R&D has to be where innovation starts. Involve your employees. I promise you'll be thrilled with the results.

3. Leverage technology: It has become more difficult to "keep up" with customers' expectations, competition and the ever-changing business environment; thus, it is essential to leverage technology for success. Of course, you can still have the most efficient, manual system possible; however, if you are spending time doing what can be replaced with technology, you have missed an opportunity to grow your business, innovate and the like.

For example, I'm finding that utilizing the "right" ERP system can give small and mid-tier companies the infrastructure they need to take advantage of GROWTH opportunities. For all-size companies, ERP systems will provide the tools to collaborate with customers and suppliers, accelerate cash flow, increase efficiencies etc. Of course, it does not stop with ERP systems. Evaluate your needs and be smart about selecting the right technology for your needs. Perhaps bar coding, forecasting, e-commerce, business intelligence etc.

4. The Skills Gap: According to my firm's research study, 77% of manufacturers and distributors are facing challenges in finding skilled resources. However, I didn't need to conduct a study to determine this

trend - it is prevalent with my clients, my APICS Inland Empire Chapter (I'm the President of the Inland Empire chapter of the #1 trade association for supply chain management) and my Ontario ProVisors group (I'm a group leader for a group of trusted advisors inclusive of CPAs, attorneys, commercial bankers etc. in the Inland Empire).

The KEY to this trend is that those executives who value people will have a significant opportunity to leapfrog the competition. I see underappreciated and undervalued people at every client. Look for them. Give them interesting work. Appreciate their contributions. They won't be thinking about shorter drives, more money and better bosses because they'll be engaged. Since it is clearly a winning strategy and costs us nothing, why do so many companies ignore it?!?!

5. The Amazon Effect: According to my firm's research study, 65% of manufacturers and distributors feel customer service gaps vs. Amazon-like offerings. Amazon is driving substantial increases in customers' expectations. For example, my clients' customers typically expect a 50% reduction in lead times - and 24/7 accessibility in some fashion has become an assumption. Have you set up your organization (people), processes and systems to meet these needs?

6. Near-sourcing: My next research study will be on in-sourcing and near-sourcing as I see this trend continuing to gain steam in the next year. The TOTAL cost to produce in China has become negligible to the cost of producing in North America; thus, executives are beginning to think about in-sourcing and near-sourcing. After all, how will they deliver same-day or next-day from China? What type of cash is tied up in inventory in-transit and in warehouses? How can they reduce supply chain risk? And the list goes on. How do you think this will impact the skills gap?

Pay attention to trends for opportunities to grow your business, become more efficient, increase margins and the like. I'm launching a new service, the Profit Chain Accelerator Program to identify and leverage these types of opportunities. Email me for more information.

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

The Systems Pragmatist

Selecting the Right ERP System

ERP systems are not of much value by themselves; however, if you leverage the appropriate functionality to support your business, it can pay back rapidly with business growth and value. The key is to select the "right" system for you - a good "fit" for your business.

I find that my ERP selection projects are far more focused on business processes than on technical specs. Actually they can boil down to answering the following question: Which business processes (and related system functionality) are integral to achieving your strategy and providing a competitive advantage? Focus in on just those critical requirements.

For example, one of my clients is a battery manufacturer. In their business, traceability is a must. If a battery explodes in a cell phone, they must be able to trace the lot and serial number without delay. Thus, although finance functionality is needed, it does not matter if the system cannot support rapid and flexible tracking abilities. What are your critical success factors?

Did you like this article? [Continue reading on this topic: 5 ERP Selection Pitfalls](#)

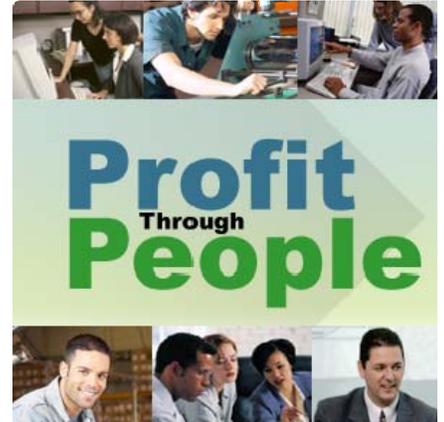


Essential Skills of the Supply Chain Superhero

According to a 2013 Gallup poll, 70% of U.S. workers are not engaged. What a startling statistic! Through observation of clients, trade association members, and colleagues, I'd agree with that statistic.

During my presentation at APICS 2014 on "Empowering and Engaging Employees", we broke into small groups to discuss strategies for achieving these objectives. A few of the top tips to keep in mind include:

1. **Vision:** Clarify the vision. Where are you and the company headed - everyone wants to understand their destination.
2. **Top Goals:** Help your employees come up with 3 key goals for the next quarter. If you are the employee, take 3 key goals to your manager to review. You'll see how what you're doing fits in with the vision.
3. **Provide the freedom to experiment :** Employees want to know that they can have an effect on their work and that their ideas are heard. Provide opportunities for employees to test new ideas. Accept that failure is a part of the process.
4. **Encourage collaboration:** Who doesn't enjoy a good brainstorming session and coming up with ideas that can make a difference?
5. **Celebrate success:** Appreciate the seemingly small stuff that plays a pivotal role in achieving success.



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

[How to Effectively Engage Employees and Achieve Results](#)

How to Select Priorities

I've yet to meet a client that didn't have FAR too many priorities for what could be achieved successfully. Instead of accepting additional priorities, think about which priorities you should be focused on.

Consider the following factors:

1. **Alignment with strategy:** Oddly, I find it is easy to get caught up in priorities that do not align with your strategy. Check on this upfront.
2. **Urgency:** Is it time sensitive? For example, if your dog will run into traffic in the street, it is an urgent issue and cannot wait.
3. **Benefit/cost :** If the item isn't addressed, what will happen? Will you lose \$5 million dollars? Will you gain a key customer? Or even though it might be time sensitive, the impact isn't significant.
4. **Is it getting better or worse?** What would happen if you ignored the topic? Will it get better on its own? Worse?



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

[Strategic Priorities](#)

Connections

Connections and relationships are the 80/20 of success!

THIS MONTH'S REQUESTS:

- Join my APICS Inland Empire group for a fascinating tour of Joseph Filippi winery, followed by a holiday mixer. We welcome guests - **register now**.
- My Ontario ProVisors group of trusted advisors is looking for an labor attorney, a real estate attorney and a commercial real estate broker. Please **email me** with your referrals.
- Don't forget that my key contact Pam Scrivner is in the process of relocating to the Coachella valley. She is a high quality office administration professional and leader with experience in accounting, operations, client relations etc. Please email **her** with ideas and connections to aid in her job search.
- The President of the APICS CSUSB student chapter has recently graduated in supply chain management and is searching for a job. He has taken SAP courses at CSUSB and so could provide an added advantage in an entry level job. Please email **Stephen** with ideas or referrals.



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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