



October 2014 - Issue #104

Welcome from Lisa

Hard to believe it is almost Halloween. It's been a whirlwind of a month for me. I thoroughly enjoyed a few visits in combination with business.

New York is always compelling - excellent Broadway plays (I especially enjoyed Kinky Boots and A Gentleman's Guide to Love & Murder, said in an English accent of course), food, museums etc. And then I spoke at APICS 2014 in New Orleans and spent the weekend with a few great friends - there is no better place for beignets (Cafe du Monde is a "must" in my book), food, music and unique entertainment.

We went to the last year of an ultra crowded haunted house - a pretty amazing job! And toured a rum distillery which turned out to be a really interesting company and process. My APICS and DAM friends would have enjoyed it!

My Dad, Mom, brother and friend had birthdays this month. And both of my Grandmas used to celebrate their birthday in Oct. too - it is "the" month apparently. I barely can keep up. And I'd like to wish my Mom a special 70th birthday. Our wishes get simpler over time. Sleep and rest are high on her list (as they so rarely occur!). Of course, most nights (especially Fridays after a long week), sleep and rest are desirable for me too. And Halloween already snuck up on us...



I just loved this picture as it reminded me of Abby (my dog). Immediately following Halloween, it will be time for my APICS Inland Empire chapter flagship event - our fall executive panel and networking symposium.

We have an amazing lineup of panelists to discuss the [**Amazon Effect: The Critical Importance of Customer Service to Manufacturing and Distribution**](#). As you probably know, this has been a primary area of focus for my consulting practice as well in the last few years. Slashing lead times and improving service levels is cornerstone to success. Please [join us](#) in Corona on Nov 8th.

IN THE NEWS

Please check out my latest speeches, articles & quotes:

- Featured in ISM's Inside Supply Management magazine in a section "*Are You Feeling the 'Amazon Effect'?*".
- Published "*Is Customer Service Pivotal to Project Success?*" in *Project Times*.

I had a blast speaking at APICS 2014 on "Skills Gap: Cultivating Empowered & Engaged Employees" in New Orleans. We had some engaging small group discussions and I've heard that we were successful in making sure everyone walked away with at least 1 idea to implement when they got back to the office. I will be featured on Bob.tv (Best of Business) from APICS 2014 and with an interview about engaging and empowering employees. While we wait for it to be released, there is a sneak peek available (clip of my speech). [Check it out.](#)

Last but not least, I was approached by the American Management Association's AMACOM to write a book. I'm putting together a book proposal on manufacturing mastery. I'd love to feature a few of your case studies, and soundbites, so please start sending them my way. I appreciate it.

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.

Eagle Eye **Collaboration Platform**

At the APICS 2014 International Conference, one of the keynote speakers was a futurist. He talked about the importance of a collaborative platform. I say - finally! I still remember one of my colleagues who questioned me about my articles about collaboration; not because he didn't agree (as he is the collaboration guru in Purchasing and supplier management) but because he wondered if I had clients who actually believed in collaboration.



Collaboration will drive bottom line business results. If you look at collaboration as a way to combine $1+1 = 99$, you'll achieve dramatic improvements and happier employees and supply chain partners.

For example, at PaperPak, we collaborated with customers and suppliers in order to design new materials and new products that achieved a "win-win-win" - better product performance for the customer, better cost structure for us, and an innovative new material for our supplier. It led to over a million dollars in savings.

There are a few strategies to ensure success with collaboration: 1) Avoid being a know-it-all 2) Seek out diversity. 3) Look for the "and"

1. Avoid being a know-it-all: Lately I've been working on several different projects. It's interesting how much more successful the project results are for those projects where the leader believes in collaboration than those where the leader "thinks he/she knows". Even good, smart people fall into the trap of thinking they already know and devaluing input from those who might be in lower positions. A key to the dramatic results I help clients achieve is to listen for and find those people with good ideas who are being ignored. Unfortunately, it is easy to do in the vast majority of clients.

For example, I remember one medium-sized manufacturing client who wanted to fire one of their only experts with knowledge on a few topic areas because his value seemed unclear. Luckily I convinced them to keep him, and he went on to be an integral team member on one of our improvement projects that delivered not only critical customer performance improvement but also millions of dollars of margin improvement.

2. Seek out diversity: Look for people with different strengths to collaborate with. It might be more natural to look for people more similar to you and who you prefer to spend time with; however, if you find folks who can add value in areas where you are weak and vice-versa, you'll deliver substantial results.

For example, in a middle-market, value-add distributor client, we developed a cross-functional team with participants from all sites. There were several different personalities and strengths in the room; however, the result was a 30% reduction in inventory levels which freed up millions of dollars of cash.

3. Look for the "and": One of the best ways to create a collaborative environment is to provide typically "either" "or" situations and ask the group to look for a way to achieve both. I find that stretch goals spur out of the box thinking and interactive discussion.

For example, on several client projects, I've helped my clients find ways to reduce inventory levels by millions of dollars while improving service. Typically, this can be thought of as an either-or equation as if you have inventory to cover potential sales, you will likely increase service levels; however, we created an "and" by freeing up cash and improving our service levels by having the "right" inventory in place.

Collaboration is no longer a fluffy concept; it will drive accelerated cash flow, improved margins and business value and sales growth.

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

[Supply Chain Collaboration](#)

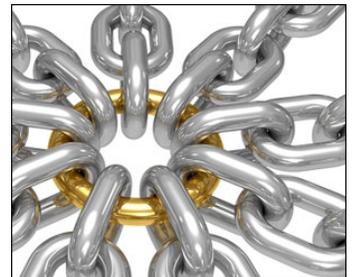
The Strongest Link in Your Supply Chain Inventory Velocity

Inventory velocity not only accelerates cash flow but it also can contribute to margin improvement. How do we turn inventory faster and keep our money in motion vs. stagnating in the back of our warehouse?

One of the best ways to keep your inventory moving is to put a SIOP (sometimes known as S&OP) process in place. The better picture you have of your demand plan, the better you'll be able to align that with your master schedule, production plans, detailed schedules, purchase plans, capacity capability requirements, staffing and skill requirements, and sales plans.

Aligning these people, processes and technologies with the overall business strategy while optimizing among competing priorities will drive inventory velocity.

For example, at Transtar Metals, we implemented a sales and operations planning process and drove rapid improvement in inventory velocity. In this case, the reduction in inventory levels not only freed up cash but it also was a contributing factor in a higher valuation for the business and ultimate sale.



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

[Three Causes of Poor Inventory Management](#)

The Systems Pragmatist Data Driven Leader

One of the concepts that came out of APICS 2014 was the concept of a data driven leader. We are overloaded with data and messages on a daily basis yet the most successful leaders find ways to rapidly sift through the data to see trends, formulate ideas and make decisions. To be successful in today's environment, we must be FAST. Thus, being a data driven leader can be a key to success.



For example, in my recent [Amazon Effect research study](#) about the impact Amazon and other mega-distributors are having on manufacturers and distributors, executives are saying that the importance of data is increasing. Customers are providing additional demand data, and technology is providing access to many new types of data. The key is to leverage the data for elevating business performance.

What reports do you review on a daily basis? weekly basis? monthly basis? Do they provide the information you need to run the business? Slash the number of reports you receive but make sure the ones you receive are key to driving progress.

Did you like this article? [Continue reading on this topic: *Turning Data into Dollars*](#)

Profit through People

Do You Have Engaged Employees?

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*](#)

Connections

Connections and relationships are the 80/20 of success!

THIS MONTH'S REQUESTS:

- Last chance to register for my APICS Inland Empire's executive panel & networking symposium on Nov 8th. It has been sold out the last few times so don't delay - **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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