

Enabling Scalable, Profitable Growth No 177, February 2021

As our inaugural newsletter from LMA Consulting's founding in 2005, Profit through People remains our flagship brand because although most clients call us because of our manufacturing, supply chain and technology expertise, the 80/20 of success goes straight to people!

Lisa's Note

Well, I'm still not going anywhere and so have no exciting photos to share; however, I did enjoy speaking on the eeDesignIt Podcast about "Getting Your Supply Chain Ready for 2021".

The good news is that my Mom received her second Pfizer vaccine shot, and I've been fortunate to work with great clients and keep my power so I'll consider that a



win. I also finally managed to get my book <u>Future-Proofing Manufacturing & Supply Chain Post COVID-19</u> to be available in Kindle, paperback AND audio on Amazon. Very exciting! The book I wrote with a group of top notch global consultants, <u>Thriving in the New Business Environment: Why the Strategic Supply Chain Matters</u> is available in Kindle. And, soon, I'll be launching our special report "Emerging Above and Beyond: 21 Insights for 2021 from Manufacturing, Supply Chain & Technology Executives".

IN THE NEWS

I'm most excited about my audiobook <u>Future-Proofing Manufacturing & Supply Chain Post</u> <u>COVID-19</u> on Amazon (thanks again to <u>C.J. Nord</u> for narrating).

And it was a value-packed time period for my latest speeches, articles & quotes:

- Published an article in Brushware "Manufacturers Trending to Digital" (flip to page 20)
- Spoke on eeDesignIt podcast about "Getting Your Supply Chain Ready for 2021"
- Spoke on Interlinks podcast about <u>Supply Chain and Innovation in 2021</u>
- Spoke at the LaVerne Rotary on the latest in supply chain
- Quoted in an article in SelectHub, "Manufacturing Trends: Leveraging Software and Tech to Maintain a Competitive Edge For 2021"
- Quoted in SAP Insights "For Resilient Supply Chains, Think Local"
- Published a press release on looking back at 2020.
- Picked up in the ProVisors Accelerator on <u>manufacturing beyond COVD-19</u> and <u>supply</u> <u>chain resiliency</u>.

Here's to emerging above and beyond with manufacturing, supply chain and technology!

Enjoy, Lisa

Email LMA Consulting Group, Inc.

P.S. Know anyone who is interested in increasing the value of their business? Refer them to us.

What Will Happen with the Economy?



In the last two months, we have participated in at least 4 or 5 different economic updates from the perspective of the local area, the region, the state, the nation and the global economy. We have also participated with a group of global consultants to discuss the economy and what impacts are likely around the world. So, what do the experts think? What will happen with the economy and what should we be thinking and doing

now to be as successful as possible in 2021?

First, at the high level, every economist agreed that the year looks positive, mainly because the vaccine is getting distributed which will spur on spending. There is certainly pent up demand. It absolutely seems likely as everyone plans their first trip to see relatives and schedules family vacations. With that said, it depends on your specific location, how dependent it is on the hospitality industry and how much it has been affected by lockdowns. For example, the Inland Southern California region has done well with the rise of e-commerce, warehousing and cargo operations; however, it will be significantly negatively impacted with the cancellation of the Coachella music festival.

Generally speaking, the economists think the stimulus bill will give the economy a shot in the arm near-term; however, it will circle back with higher taxes and other implications in years down-the-line. They expect consumers to spend the stimulus checks and the states and educational institutions to spend the funds allocated, stimulating the economy in 2021. If the minimum wage passes, it will have a devastating impact on low wage states and companies with lower skilled jobs, and it will have a positive impact on the companies ahead of the curve with higher skilled jobs and those that can turn it into an advantage.

Most of the economists thought inflation was a possibility down-the-line but not for the immediate future. The price of gold has been steadily climbing, and the price of oil has been increasing as the political scene changes.

E-commerce has advanced 10 years since COVID began, and it isn't going back. This is driving significant differences in how consumer demand is fulfilled, driving repercussions throughout the extended supply chain. Technological advancements expected by 2035 are occurring as we speak. The pace of change is significant, and these continuing advancements will impact the economy. Seek out additional updates and create a resilient supply chain to successfully navigate these changing conditions.

What lessons can you take away from what's coming in the economy? Read more about these types of strategies in our eBook, <u>Future-Proofing Manufacturing & Supply Chain Post COVID-19</u>. If you are interested in a rapid assessment to determine how to successfully navigate changing conditions while increasing the value of your business, <u>contact us.</u>

Interlinks Podcast & What's Going on With the Vaccine Distribution

I participated with a panel of global supply chain experts to talk about the vaccine distribution, sustainability and other hot topics in supply chain innovations.



Future-Proofing Manufacturing & Supply Chain EBook

Check out our **eBook** on navigating & successfully emerging post COVID-19:



Which Technologies are Gaining Momentum in Supply Chain?

The technological transformation is occurring at an unprecedented pace. What was expected to happen by 2035 is in process now. Industry 4.0 has taken manufacturing and supply chain by storm. Executives are realizing that they must upgrade their technological infrastructure to thrive in 2021. Which technologies are gaining momentum in supply chain and logistics?



According to clients, colleagues and experts, here are a few of the top technologies to evaluate:

- Virtual Reality: Not only is virtual reality improving safety but it enables product and process design, data and process visualization and experience-based learning. In our recent interview with Paul Granillo, CEO of the IEEP, he mentioned that Loma Linda is training their nursing staff using VR.
- Robots & Cobots: Robots are taking over more and more repetitive tasks for
 manufacturers and distributors. It solves the COVID requirement to stand 6 feet away from
 a co-worker; however, this is simply a side benefit. One of our clients developed a robot
 that could run throughout the night on a critical process so that they could keep up with
 customer demand and alleviate the workload on their high-skilled resource who focused
 attention on setups during the first shift.
- **Drones:** These are no longer a pipe dream. The FAA is coming under pressure to review the use of drones as the advantages are mounting. UPS uses drones as big as cars to deliver medicine in Africa. Warehouses are using drones for cycle counting. Railroads are using drones to check on tracks. It is moving from an Amazon concept into reality.

- Autonomous vehicles: Autonomous vehicles are gaining traction in trucking. The
 technology exists to tether 3 tractor-trailer trucks together six feet apart on the highway. If
 an issue arises, they can separate, avoid the issue and come back together. This process
 will require 1 driver for 3 trucks, eliminating 2 jobs; however, a team of 8-10 is required to
 make the technology work. It will change the landscape. Autonomous trains are also
 coming!
- Warehouse automation: Automation has surged in popularity. WMS systems, conveyor automation and advanced technologies are increasing.
- Business Intelligence: What could be more important than having the information at your finger tips to make decisions? Analyzing trends, slicing and dicing data, and predictive analytics are trending.

What are your plans for advancing technology in your supply chain? Evaluate which technology fits your strategic direction and best supports your customer requirements and profitability objectives. If you are interested in assessing your supply chain technology and developing a roadmap and path forward, <u>contact us</u> to discuss your situation and objectives.

<u>Did you like this article? Continue reading on this topic:</u> **Digital is Key to Manufacturing in 2021**

Emerging with Supply Chain Strength Webinar Series

LMA is sponsoring a webinar series with experts on successfully emerging from COVID.



Will E-Commerce & Logistics Surge Taper Off?

E-commerce is on fire and has sped forward 10 years within the last year. There are no signs of it slowing down. In fact, it appears that consumers have changed buying patterns and aren't going back. Similarly, B2B has seen an increase in drop shipments, and it continues to trend up.



UPS and FedEx have been running at peak capacity since COVID and it hasn't slowed down. The expectation is that peak capacity will no longer be just at the holidays instead, it will become the normal business operation. Since the Inland Empire is #1 in e-commerce in the U.S., Ontario airport recently surpassed Atlanta in air cargo to take over the #1 spot in the U.S. UPS has a significant hub in Ontario, and FedEx is moving cargo handling from Los Angeles to Ontario. Amazon has a larger footprint in the Inland Empire than anywhere else in the U.S. Clearly, the significant logistics players don't see these e-commerce trends changing.

E-commerce contributes to the backup at the ports with near-record container volumes in addition to the complications of lower productivity levels. There are 53 ships waiting at the ports, and although the ports expect to get into a better condition by late spring or the summer, it is likely to intersect with preparations for the holiday season. Thus, the ports will stay busy, driving increased activity in drayage, rail and distribution. Are you prepared to run flat out non-stop?

How Should We Prepare?

Assess your current situation and take stock of your supply chain network. Re-think your strategy,

and reevaluate your supply chain partners. Will you have priority in the critical aspects of your supply chain? Should you reposition for "where the puck is going" (to use a Wayne Gretzky quote)? It is very likely to be different from your current situation. If you'd like an expert to assess your current supply chain effectiveness and fit with your future customer requirements, contact us for assistance.

<u>Did you like this article? Continue reading on this topic:</u> **The Massive Congestion at the SoCal Ports & Implications**

Connections

THIS MONTH'S REQUESTS:

- A client in Kansas City is looking for a senior planner/leader with strong hands-on experience as well as planning expertise. If you have any suggestions, please email me.
- A colleague with extensive sourcing and procurement experience is looking for a Supply Chain manager opportunity. If you have any suggestions, please email me.
- A contact in Riverside is looking for a Finance leader. If you have suggestions, please email
 <u>me</u>.
- Do you know a top notch labor law, trial attorney or bankruptcy attorney in the Inland Empire or surrounding area interested in growing his/her business and meeting top-notch trusted advisor colleagues? My <u>ProVisors</u> group has an opening for these professions, and we have lots of referrals for these professions on a regular basis. Please introduce <u>me</u>.

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.

Check out our new video & articles series







