



April 2014 - Issue #98

Welcome from Lisa

I hope you've had a Happy Easter and spring season! I just returned from spending Easter with my family in Arizona - it was great seeing everyone even though it was fast-paced with lots and lots to do. I hope my parents have the opportunity to take a nap tomorrow - not sure a 20 year old could keep up with all they have to do! (And I wrote this BEFORE I realized that tomorrow is their anniversary...)

This month, I wanted to feature and encourage you to [learn more and register](#) for my APICS Inland Empire Chapter's 3rd annual Executive Panel & Networking Symposium on "[Filling the Skills Gap: Putting the "Spark" Back in Manufacturing & Distribution](#)" - May 3rd in Corona.



We have a FABULOUS lineup of panelists including Noel Massie, President of [UPS](#) Southern California, Roy Paulson, President of [Paulson Manufacturing](#), Dwane Lamb, Director of Operations of [PSG](#), and Alan Dunn, Founder of [Manufacturing Executive Institute](#) and Chair-Elect of [APICS](#). [Register](#) while you can still get a seat.

For those of you who have not yet taken my Amazon Effect survey on the impact Amazon-like customer service and 24/7 accessibility is having on businesses today, I'd appreciate it if you took a few minutes to [fill it out](#). I think it will have a profound effect on what we'll need to be prepared to deliver and would like to share the results with you. Also, please forward on to any of your colleagues you think appropriate.

This month, my feature article is focused on my **Systems Pragmatist** service line and will discuss my views on "Lean: Uncommon Common Sense". I look forward to your feedback and debate.

IN THE NEWS

Please check out my latest speeches, articles & quotes:

- Quoted in World Trade Magazine's "[Eliminate Blind Spots in Your Supply Chain](#)" and in SAC's "[Skill Gaps Will Impact Coming Boom in US Economy](#)".
- Published "[The Project Manager Skills Gap](#)" in *Project Times* and "[The Skills Gap](#)" in *Executive Brief*.
- Spoke at APICS Ventura on "[The Skills Gap: Why Supply Chain is the Place to Be!](#)".

Hope to see you on May 3rd at the symposium. Happy early Mother's Day to all - and, of course a special wish for my Mom.

Enjoy,
Lisa

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

The Systems Pragmatist
Lean: Uncommon Common Sense

I have always been a process consultant, typically focusing on those processes which are the most relevant to making rapid improvement with the specific manufacturer or distributor I am partnering with. Yet, I find that processes alone are useless as they have to be married up with the "right" people, the "right" systems and aligned with the strategy. However, people rarely come to me to find the "right" process improvement initiatives for company success; instead, they ask about "quick fixes" and sometimes Kaizen or lean events.

My answer is always, "Why?" If the requestor thinks a lean event will deliver "motherhood and apple pie" for them, I push back, as a three-day workshop alone will not provide the long-term benefit they desire. Lean benefits arise from significant culture change!



On the other hand, lean is valuable in the "right" situations, and it provides a nice set of tools for improvement. After spending time with the experts of the experts, I still contend that lean is simply "uncommon common sense".

A few of the tenets of lean which I consider "uncommon common sense" include the following: 1) Start with customer value. 2) Eliminate waste. 3) Involve the people.

1. Start with Customer Value: Similar to business in general (if you ask just about any business owner or CEO), you must start with your customer. What do they value? What are they willing to pay for? That's an intriguing question - take a step back and think about what you are willing to pay for. Expedited service? I seem to frequently request quick Amazon deliveries for my parents. Atmosphere? Would you pay more for a nice Italian restaurant vs. a McDonald's?

What is becoming more or less important to your customers? Is price key? Of course they all will say that price is king; however, in 80% of the clients I consult with, so long as they are in the ballpark in terms of price, the customers care more about quality, service, product variety, the experience, etc. Do you know which is important to your customers? If not, you better find out!

The key is to design your processes with your customer in mind. Of course, every business has TONS of non-value added steps in their processes. Don't despair as it isn't a black or white situation - significant improvement while moving in the right direction is fine. I've found that if you think logically, you'll be in great shape vs. the masses. Do you take the time to see if what you are doing makes sense?

2. Eliminate Waste: Again, what could be more like common sense than to put a stop to waste? My good friend's sharp-as-a-tack 96 year old dad used to be an investment banker/ turnaround CEO combination with a 100% success rate. When I asked for his secrets to success, one of the top ones was to walk around a facility, look for waste and eliminate it - uncommon common sense! Rarely followed but not rocket science. Very few clients see the vast waste in their operations and back office processes. We become such great fire fighters that we forget about doing it right the first time!

To give you a flavor of what to look for, I thought a quick recap of the three types of waste might be helpful: 1) Muda (more resources are used than required) - there are many types of muda (non-value add) including defects, waiting, and inventory. Purists say all inventory should be considered waste; however, I suggest we go back to common sense. What is needed to cover for volatility, uneven demand and lead time gaps while addressing the root causes? 2) Mura (unevenness) - certainly it's rare to find "even" requirements in real life. The idea is to utilize just-in-time and create a pull system to address mura. 3) Muri (overburdened) - in this case, the factory or machine cannot possibly catch up with the current staffing, equipment capabilities, non-standard processes etc. A frequent occurrence to be sure! Standardized work is significant in resolving muri.

3. Involve the people: It certainly seems like common sense to involve the people affected in the design of the work process; however, it rarely occurs! Doesn't it seem strange that we have to schedule Kaizen events just to ask people for their input?

For example, when redesigning how an order management or planning process will work, do you involve the people who "live" with the process on a daily basis? In my experience, those who are closest to the process have the best ideas for improving the process. Wouldn't you consider this "uncommon common sense" though?

There is much to be learned from The Toyota Production System and Lean; however, it's easy to go overboard. I've found that those who follow "uncommon common sense" are vastly more successful than their counterparts, including those who perform frequent Kaizen events. What are your plans for instilling common sense thinking in your workplace?

Did you like this article? [Continue reading on this topic:](#)
[Lean: Fad or Vehicle to Bottom Line Results?](#)

Profit through People

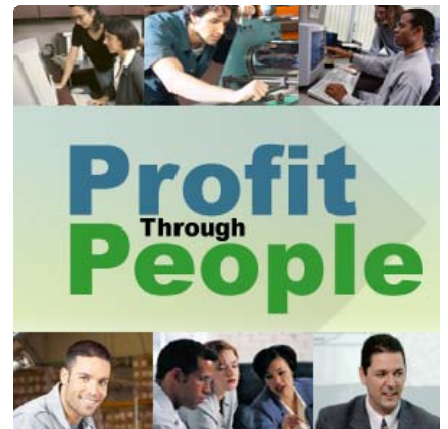
The Skills Gap: Putting the Spark Back in Manufacturing

As I discussed in my [Skills Gap research report](#), there is a significant disconnect between what companies need and what they have. It is worrisome for our future if we cannot find a way to close this gap. Of course, I have suggestions stemming from retention to hiring to training & development which I discussed in my recent [Skills Gap article](#). However, what do we do about the fact that manufacturing and distribution careers don't seem to attract top talent?

Certainly, if you ask a college student about exciting and high-paying careers, most will talk about what's reported on the news as the latest up-and-coming career path. How do we move manufacturing and distribution careers UP that ladder? How do we create the buzz? It will be essential if we wish to attract the best and brightest - whether students or executives, we must make these roles more compelling.

My APICS Inland Empire chapter has assembled a panel of executives from top local firms to fortune 500 companies to debate and discuss this topic on [May 3rd](#) at Eagle Glen Golf Club in Corona. We'll have an expert from a company who has achieved amazing results with their lean journey, another who has created strength in exports, a third who is a leader in logistics innovation and a training and development guru who is also the APICS Chair-elect. [Don't miss this exciting opportunity](#) to learn and network with your peers.

For those of you in other states (as I'm sure anyone near Corona, CA will attend in person), we won't make you miss out completely. I will summarize the highlights and key points in future newsletters, and I request your input and ideas. It is a vital topic which will affect our long-term success.



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

Eagle Eye Synthesize for Results

We've talked about the ingredients required to have an Eagle Eye - how to rapidly spot key priorities and ensure results occur. There are so few people who put these qualities together effectively, it makes sense to explore it further.

One of the keys to success is the ability to synthesize. According to Webster's dictionary, synthesize means "to form (a material or abstract entity) by combining parts or elements (as opposed to analyze)". Have you met someone who can put the "right" ideas, people, project plans, strategies etc. together at the "right" time to "see" the big picture or solution? It can mean the difference between success and failure. Thus, I thought a few strategies to improve upon our ability to synthesize might be in order:



1. **Read voraciously** - In order to be able to see connections and combinations, it helps to have a broad background. Be well-versed to start.
2. **Be observant** - It is interesting how often you don't see something until you look for it. For example, if you are thinking of buying a new car, have you noticed that you suddenly see all the car options on the road? Try being observant.
3. **Look for connections** - Try looking for connections between people, places, items, numbers etc. Once you start looking, you'll begin to see them.
4. **Look for trends** - What is changing? Are things improving or declining? Every time x occurs, have you noticed that y follows? Catching these trends will help in your ability to synthesize.
5. **Take the time to think** - There's no way to synthesize unless you take the time to think about multiple streams of data, people, interactions, events etc. in conjunction with one another. Take a step back and begin to put it all together.

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

The Strongest Link in Your Supply Chain Production Scheduling

Production scheduling has been a part of my expertise since my post-college days at Coca-Cola Enterprises. It has been a part of every job I've held (whether directly or indirectly) and a part of almost every project I've consulted on since. Thus, I have a passion for this topic.

I've always found production scheduling to be fun and exciting as you have the opportunity to optimize among competing priorities and variables (inventory levels/ cash flow, service levels/ sales, and costs/ operational efficiencies) to find the best overall solution. The best production schedulers not only find the optimal answer but they also communicate effectively and align everyone on the same page. A tall order yet invaluable! A few considerations for success include:

1. **Start with the customer** - as with everything that pops to mind in business success, it's best to start with the customer. What does the customer need? Understand your customer's requirements and priorities.
2. **Cycle time** - how long does it take to run an item through the standard production process? How does this compare with the customer's lead time? Are there unique materials / purchased components? How does this affect your cycle time?

3. **Understand cash flow** - follow the money! Inventory ties up cash. How much inventory do you need? Why? What does Finance expect you to produce? It matters - without cash, your business will not thrive.
4. **Consider operational efficiencies** - do you know the impact of your decisions? Are there changeovers (changes in size, color etc.)? If so, how long do they take? Do some take longer than others? Is there a sequence which makes more sense? Can you work with operations to reduce the batch quantities?
5. **Understand staffing impacts** - What is the regular schedule for Operations? Will your schedule require overtime? Hiring? Temps? Can you move volume among machines? Machine groups? In-house vs. outsource? Can your schedule affect the skill requirements? Perhaps you can optimize with the available staffing....
6. **Understand equipment and tooling impacts** - will your schedule affect the number or type of machines required? Does flexibility trump capital costs?

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

Connections

Connections and relationships are the 80/20 of success!

THIS MONTH'S REQUESTS:

- As I said in my introduction, we have an amazing lineup of panelists at my APICS Inland Empire Chapter's 3rd annual executive panel & networking symposium on May 3rd. [Learn more & register](#) to get your seat.
- My Ontario ProVisors group of trusted advisors is looking for attorneys. If you know of a top notch attorney in the IE, please refer them to [me](#).
- I know of several top notch Inland Empire university students (CSUSB, Cal Poly Pomona, Harvey Mudd) who are interested in internships and entry-level positions. If you are interested in fresh ideas with a strong operations / supply chain educational background, please let [me](#) know.



CONNECTION SPOTLIGHT - KARIN & ROD MOLIDOR'S MORNING GLORY INN

As I said last month, since connections and relationships are VITAL to personal and professional success, I thought I'd start highlighting a person each month from my network who I think can add value. This person could be a client, a trusted advisor, an APICS Board member etc.

This month, I'm featuring the [***Morning Glory Inn***](#). It is a perfect get-away in a fabulous location near Showshoe, West Virginia. Obviously there is exceptional skiing; however, it also makes a great summer vacation within close proximity to the Cass Scenic Railroad, The National Radio Observatory, Elk River Touring Center, The Greenbrier River Trail and much more.

Listed as one of the "10 BEST VALUE INNS" IN THE U.S. and Canada near a ski resort by SKI MAGAZINE and noted as being No.1 "BEST FOR SPORTS ENTHUSIASTS" by Arrington's BED & BREAKFAST JOURNAL, the Morning Glory Inn is not to be missed! The well-appointed rooms with vaulted wood ceilings and private baths including are the largest in Pocahontas County WV. Great owners who also happen to be my cousins to boot! Take a look and [reserve](#) via email or call 866-572-5700 for reservations.

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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