



August 2016 - Issue #126

Welcome from Lisa

Who says August is a slow month?!? I started a new client, met with several potential clients, am helping coordinate the final stages and align processes for an ERP go-live that is just around the corner, have been helping another client navigate planning and capacity challenges to raise service levels, am in the final stages of an ERP selection project for a food processor and have been performing advisory work for a few others. I feel blessed to have such an interesting job where I learn constantly!

I was able to get away for a weekend to La Jolla and went on a food tour with friends. I love food tours - what could be better than spending the day going from place to place to try different foods. We also stopped in a Dr. Seuss museum along the way - who knew he also painted?



While still in summer, it might be a good idea to take a brief break to rest, enjoy family and friends and/or think. Certainly, Dr. Seuss gives us plenty to wonder about in his paintings....

IN THE NEWS

Please check out my latest speeches, articles & quotes:

- Quoted in *Team Focus* article, "[How Visual Project Management Software Can Increase Revenue and Reduce Stress](#)".

- Published an article, "[Agile or Traditional Project Management - Which is Better?](#)" in *Project Times*.

And, I will be a featured speaker at PMI Inland Empire's (Project Management Institute) flagship event on Sept 10th. Check it out and [join us](#).

Enjoy your Labor Day!

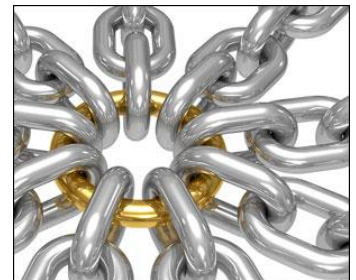
Enjoy,
Lisa

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

P.S. Please think of me if you should know anyone who would like to elevate their business performance.

The Strongest Link in Your Supply Chain **Why Customer Service Trumps All!**

Although we work on many topics impacting manufacturers and distributors, we have found that the most popular - and vital - is customer service. Prior to the recession, most companies called for our inventory management expertise and how to understand and manage costs (and therefore strategically price); however, since the recession, almost everyone that calls has some element of the customer in their conversation.



As our passion surrounds customer service which must start with your customers (your employees), we love this development. From a financial point-of-view, the customer has a profound impact on business performance. Clients call for every one of these reasons:

- **Business growth** - certainly, you have no hope of growing your business unless you serve your customers well. Specifically, in today's Amazon-impacted world, it must be an assumption.
- **Delivery performance** - unfortunately, there are a vast number of ways companies can get into trouble with delivery performance. There has to be at least 20 different processes that impact whether product and services will be delivered in a timely basis. And, that is before you talk about people and culture.... If you cannot deliver on time, not only will you incur extra costs in expediting but you'll lose orders (perhaps even ones you don't know about).
- **Lead Times** - every client talks about lead times. Customers are demanding a 50% reduction in lead times. Shortening the cycle translates to money and cash flow.
- **Value-added service** - we must stand out from the crowd with exceptional service - forget about growing the business, this is essential to MAINTAIN the business (and to have a decent work life). How are you adding value for your customers? It is not all about price! Do you provide service options? Do you provide value add ideas and options? When my laptop crashed, I was very interested in those companies that would expedite, no matter the fee.
- **Margins & profit** - do you look at service with a win-win eye? You better start! No one can afford win-lose propositions any longer. Find a way to increase your customers' profits while increasing yours.
- **Cash flow** - an area tied directly to service is inventory positioning and levels. If you can count on high levels of service, you won't need to carry as much inventory. Every dollar not tied up in your warehouse is a dollar you can invest into the business, your people and your life.
- **Controlling overhead costs:** This might sound strange but it frequently arises. If you need to upgrade your infrastructure as business grows and/or complexity increases, a compelling reason not to ignore this need is customer service. For example, if you have an ERP system that is highly customized and no longer will expand with your business, it will result in customer service challenges. Of course, most clients will attempt to address these issues without impacting customers. Since their business isn't scaleable, they will have to employ people to fill the gap.

And, instead of automating these tasks, the manual workload increases errors - impacting service levels.

Clearly, customer service should rise to the top of your list in terms of priorities - assuming you want to maintain and grow your business and/or would like to enjoy your work life. What programs are you pursuing to take your service to an entirely new level? What ideas do you have to take a leap forward?

Did you like this article? [Continue reading on this topic: *Staples and the Power of Customer Service*](#)

The Systems Pragmatist

Unscrambling a Challenged System Implementation

From time to time, we receive a call from a client dealing with a challenged ERP implementation. Unfortunately, "challenged" is a nice word for most of these! Of course, by the time the client calls, they have spent a lot of money and are frustrated which isn't a great starting point because unscrambling the situation is never an easy endeavor - assuming you want to provide service and make money.



Unscrambling these scenarios require a unique combination of skills:

1. **System thinking** - as odd as it sounds, there is NOT a need for experience in the specific system. Certainly, it might add value but the most important skill is system thinking - connecting the dots in terms of how systems work, down-the-line impacts, how they'll integrate with other process steps etc.
2. **Business process expertise** - we find that this is a critical component. There are always several ways to perform a certain role or accomplish a task. Some of the ways will create positive down-the-line impacts while accomplishing your goal and some will work perfectly well for you (and might even be faster) but will create negative down-the-line impacts. The complication is that no documentation will tell you about these. This is where having "been there and done that" with multiple systems and process combinations is required.
3. **Timing/ sequencing** - even if you have good system thinking and good process expertise, if you don't "see" the various outcomes with different sequences and timing impacts, you'll still end up in a jumble.
4. **Project management expertise** - unscrambling several moving parts requires a deep project management expertise. Organizing and tracking several moving parts and related impacts (prerequisite steps, concurrent steps etc.) requires a skill in project management.
5. **Relationships/ communication** - one would think we are asking for too much when we throw this topic into the mix but it is a key component. Often, there will be some technical capability required to resolve certain aspects. Thus, communicating effectively across applications and technical capabilities is a must. Additionally, your ERP and system partners (or lack thereof) might need to be addressed, improved and/or changed out. After all the frustration already incurred, it is essential to know quality resources.
6. **Training/ application understanding** - this is an easy one to outsource once you know what is needed. Our clients typically think it is #1 yet it is the least critical aspect. Once the solution is known, it is easy to provide training.

Yes, it is one of those situations where there are no easy solutions. The fix itself could seem simple yet putting together a plan and executing the plan will turn complex. Our best advice is to take a step back and assess your situation. After spending a lot of money (that has become a sunk cost), the key will be to remain focused on what the best long-term solution will be to maintain and grow your business successfully. It will require more money than you hoped but you'll "right the ship" so that you have a sustainable solution.

As an aside, if you happen to employ resources with many of these skills, hang on to them. Follow the advice of one of my best clients who hired top notch engineers during the recession when he didn't need them. He now has them and will sail past his competition.

Did you like this article? [Continue reading on this topic: How Challenging ERP Can Be!](#)

Profit through People Leadership Will Make or Break Success

As my HR mentor used to say, "It begins and ends with leadership". After a 25 year plus career with leadership positions in organizations, trade associations, non-profits and more, it is clear that leadership will make or break success.

It is interesting the difference leadership can make. We can go to 2 similar clients with similar products, services, systems and resources with the only difference being the leader, and we'll see two vastly different environments. In one case, we will be wildly successful and, in the other, we'll struggle. Even in the best of cases (when they are more closely aligned), one project will have quicker results than the other.

No matter how effective or ineffective the leader, short term results are likely to occur. With focus, things improve. Also, even if the leader has a dictatorial style, he/she can gain short-term results as people do not want to lose their jobs; however, sustainable results will not follow.

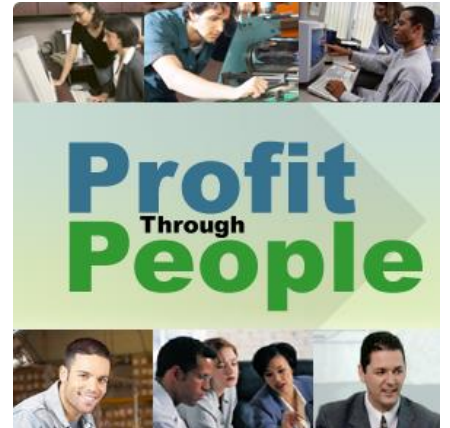
For example, we've worked with quite a few large complex, global aerospace companies. As is typical with any large, complex organization, the leader of an individual facility will be under pressure to perform. We have seen more than our fair share of General Managers, COO's or Presidents come and go over the years. From time to time, it will be night and day with the change in leadership. One day things seem disorganized and folks are frustrated and struggling on legitimate concerns, and the next, we have direction and clarity. Of course, people do not become less frustrated over night but with clarity and direction, 80% of the people will calm down and performance will improve within a reasonable time frame. The 20% might not be interested in being accountable or they could have crossed the line in terms of frustration levels and need to make a change.

Since leadership will make or break success, make it a top priority!

Did you like this article? [Continue reading on this topic: Put Your Eagle Eye on What is #1 to Success - Leadership](#)

Eagle Eye Why Financial Acumen is Relevant to Operations

As we brainstormed our unique value proposition with our advisory board and marketing team, the topic of financial acumen rose to the surface. Traditionally, we've talked about people, processes and systems and how our unique combination of these elements delivers superior business performance; however, this statement failed to include a vital element of our success - financial acumen.



When I was a VP of Operations and Supply Chain, we constantly were pursuing how to reduce costs while improving the performance of the product and service to our customers. Understanding how to get to true costs - not double or triple counting cost improvement programs isn't as easy as it seems like it would be. Costs are also critical for thinking strategically about pricing, what focus to put on certain products or customers etc.

Thus, having this financial acumen is essential and noteworthy. Fortunately for me, I had a finance mentor early in my career path; thus, I decided to get an MBA with an emphasis in Finance. Of course, although quite valuable, I learned 100 times more from a Finance Director who worked for me later in my career. He was invaluable because he knew costs, how to analyze capital investments, and what was important when it came to variances, contribution margins and cash flow. What else could you want in a superhero? Thanks Marty!

Thus, we have evolved this unique formula to the "right" combination of people (culture, change, leadership etc.), processes and protocols (inclusive of systems, finance etc.) - and it has a great alliteration of P's to boot!

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

[**Lessons from My Finance Mentor: How to Turn a Profit**](#)

Connections

Connections and relationships are the 80/20 of success!

THIS MONTH'S REQUESTS:

- Our APICS Inland Empire executive panel & networking symposium on Navigating the Global Supply Chain is Oct 29th - **registration** is now open.
- My Ontario **ProVisors** group of trusted advisors is looking for a top notch commercial real estate broker and HR consultant in the Inland Empire. **Email me** with referrals.
- Hard to believe with the skills gap alive and well but I know 3 outstanding supply chain leaders looking for the right opportunity -one in Wichita, one in New York and one in Temecula. **Email me** with referrals.
- If you know of an IFS expert, there is a company in Louisiana interested. Email **Chad** with referrals.
- I know of a supply chain leader with a strong procurement and import background interested in his next opportunity. Email **him** with referrals.
- An aerospace manufacturer is looking for a Supply Chain Director or Manager with a focus on production control/ planning. **Email me** with referrals.
- Vocademy - The Makerspace is looking for a B2B Specialist. A dynamic person with at least five years of sales and business client management experience. Knowledge of the educational world is a big plus. Please refer folks **here**.
- Refer anyone interested in advancing their supply chain and manufacturing skills to take a look at the best **education and certifications** available.



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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