

# Lisa Anderson's Profit Through People® Newsletter



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## Welcome from Lisa

### Lisa's Note

Since going to the grocery store isn't exactly excitement to share, I've replaced travel, visiting family, going to the movies with friends and playing tennis with walking on my treadmill while watching the Hallmark Channel. My favorite Hallmark actor pictured is Dylan Neal (from the Gourmet Detective). Unfortunately, I couldn't figure out how to get my favorite Hallmark actress pictured alongside or you'd see Alison Sweeney (Murder She Baked) and my mom's favorite Hallmark actress Jill Wagner from Mystery 101. Thus, in addition to binging on mysteries, I've also been watching "Christmas in July".

What's not to like with the positive story lines, happy endings and mysteries? I've always loved a good mystery, and this newsletter reminded me of when my childhood friend and I won an award for writing the book, the Secret of the Hidden Panel in the 6th grade based on Nancy Drew mysteries and featuring our favorite relatives. Great trip down memory lane! I found my book and messaged her last night to ask if she had a digital copy of the book she kept since we wrote two but both were done via typewriter! Perhaps I should include a photo of the cover in a future edition.

On the business front, 8 to 10 hours of Zoom calls each day is not uncommon! I have no idea how I fit driving into my schedule pre-COVID. I'd like to remind you to get your free download of my eBook [Future-Proofing Manufacturing & Supply Chain Post COVID-19](#). Now is the time to ensure you are focused on the key priorities to successfully emerge and thrive post COVID-19!

### IN THE NEWS

I'm fortunate that the media continues to find me when searching for manufacturing, supply chain and ERP experts. I'm absolutely thrilled to have been a featured speaker at [SAP's SAPPHIRE NOW](#) global conference. I was interviewed on [supply chain](#), and I interviewed the COE & Global Enterprise Architect of Carrier Corporation on [ERP, cloud and supply chain](#). It was a fascinating and enjoyable process. I'm also thrilled to have been named a [Top 15 Supply Chain & Logistics Expert to Get \(and Stay\) Ahead of the Curve](#) by RateLinx and was excited to lead a panel discussion on [Supply Chain Resiliency](#) with GA Tech experts at the Southern California E-commerce & Logistics Summit.

And my latest speeches, articles & quotes:



- Coronavirus impacts continue to be of interest as I was interviewed by [Bloomberg](#) for an article on why grocery stores aren't fully in stock yet and was featured in [ERP Software Blog](#), [Business Insights](#) and the [ProVisors Accelerator](#) newsletter related to this topic.
- How to successfully navigate coronavirus was of significant interest as my [webinar](#) on Future-Proofing Manufacturing & Supply Chain Post COVID-19 was featured in [Aerospace Manufacturing & Design](#), [Today's Medical Developments](#), [Today's Motor Vehicles](#), and [Today's eMobility](#).
- Published a [press release](#) on the resurgence of manufacturing which was picked up by [Business Insights](#) and was quoted in a [press release](#) about how to triumph and grow during these uncertain times.
- Featured in AZ Growth Advisors for my speeches on [pricing and profits](#).
- Featured as an ERP thought leader in a SelectHub's webinar "[How to Approach ERP Selection During the Pandemic](#)" which was picked up in an article for [International Business Times](#).

Please let me know if there is anything I can do to help you during these turbulent times, and/or perhaps we can collaborate together for the greater good.

Enjoy the rest of your summer!  
Lisa

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

P.S. Know anyone who is interested in achieving scalable, profitable growth? Refer them to [us](#).

Eagle Eye

## Why SIOP is Critical to Thriving During & Post COVID

COVID has disrupted every business. Some are growing far faster than supply can keep up while others have dropped like a rocket. Still others have almost identical dollar volume yet double the number of orders at half the order size, creating significant disruption in warehousing, shipping and transportation. And still others might have less severe changes in volume yet certain customers are thriving while others are dormant creating mix disruption. The supply side is no different. Previously reliable suppliers can be suspect at best, previously high-quality, low-cost suppliers have skyrocketing costs as airfreight is required to keep customers' satisfied, risks have increased dramatically with the uncertainty of cash flow and long-term 'institutions' of the industry are disappearing overnight. With this high level of disruption across both demand and supply, misalignment has run rampant, costs are increasing and customers are frustrated.



### SIOP (Sales, Inventory Operations Planning) Cuts through the Disruption

You know the story. The busier we get, the less we have time for improvement yet we spend double or triple the time to achieve the same outcome because we can't set aside the time required to start or maintain an improved process. I've been there so I am familiar with the excuses! With that said, STOP and look around you. You are on a hamster wheel with no end in sight. Implementing SIOP, even if simplified to what is achievable under current conditions, cuts through the disruption to stabilize your supply chain.

### What is SIOP?

Quite simply, [SIOP](#) is about finding a way within your environment to realign demand with supply. You have to start with demand or you will forever chase your tail. To simplify the best practices across industries (aerospace and defense, building

and construction products, food and beverage, healthcare products), geographies, and company sizes that apply to manufacturing, supply chain, logistics, and service organizations with supplies, you should focus on these keys:

1. **Proactive management of demand:** Talk with customers, find out about your customers' customers and every customer type within your channel until you get to the end customer (consumer, business using your product, patient), ask about and observe evolving customer needs, review historical trends and put a stake in the ground with a starting point forecast. Outcome: typically 12-18 month rolling forecast
2. **Proactive management of internal supply:** Talk with your internal teams, understand changing capacity and staffing levels (manufacturing, warehousing), realign temporary and contract assistance, understand your resiliency to changing demand (overtime, increasing staffing, efficiency improvements, maintenance and engineering support, etc.), realign with R&D/ product development requirements and realign your support resources. Outcome: typically a capacity plan (production, storage), high-level staffing plan, and key decision plan (make vs buy, product / customer transitions, machinery and equipment plans) for at least as long as your longest lead item but typically 12-18 months.
3. **Proactive management of supply partners:** Talk with suppliers, find out about your suppliers' suppliers capabilities, their likelihood to meet schedules, ability to meet cash flow needs and risk of shutdown (whether temporary due to COVID or another disruption or permanent (going out of business)). Outcome: typically a sourcing and supply plan by key suppliers/ commodities for at least as long as your longest lead item but typically 12-18 months.
4. **Proactive management of your logistics network partners:** Talk with transportation partners, brokers, 3PL/ 4PL partners and understand the extended supply chain, potential risks, possible options as disruptions occur, etc. Outcome: typically a logistics network and goods movement plan for at least as long as your longest lead item but typically 12-18 months.
5. **Take stock of inventory:** Do you have strategic stock of critical items? Items without a robust backup supplier? Items in countries of higher risk of shutdown? Are you so busy running in circles that your slow moving and obsolete is expiring under your nose? Outcome: typically an inventory investment plan for 12-18 months.

Pre-COVID, clients went through a SIOP cycle with a monthly cadence. The typical processes included:

1. Demand review meeting
2. Supply review meeting
3. Alignment of demand and supply (not always requiring a meeting)
4. Inventory review meeting (often incorporated into the supply meeting)
5. Executive SIOP review meeting (in some cases, quarterly made sense)

During COVID, we have taken these same concepts and adjusted to changing conditions. No two clients are alike in what makes sense to rapidly realign demand and supply and maintain this alignment yet there is one item in common across the board:

**A weekly alignment on just the *critical* customers, internal resources, suppliers, logistics network partners and review of inventory**

Read more about SIOP and related concepts in our eBook, [Future-Proofing Manufacturing & Supply Chain Post COVID-19](#). If you'd like a rapid assessment and recommendations for your situation, please [contact us](#).

[Did you like this article? Continue reading on this topic: Future-Proofing Your Supply Chain](#)



## The Strongest Link in Your Supply Chain Automation or Autonomous?

While leading a panel "[Building Resiliency in the Supply Chain](#)" with gurus from Georgia Tech, the leading experts in global logistics and associated research, several intriguing concepts arose. Additionally, my Association for [Supply Chain Management group](#) led a series of webinars on "[Navigating through Volatility](#)" including discussions with several logistics experts from distribution, the ports, transportation, technology and more. Many strategies for success arose during these sessions. Last but not least, my top-notch trusted advisor network, [ProVisors](#) and clients have brought strategies to light. Thus, it seemed prudent to share a few highlights.



### Automation vs. Autonomy

Automation is definitely on the rise as organization determine how to thrive post COVID-19. [Statistics](#) show that the automation market is expected to almost double in the next 5 years, and experts show that plans to automate are being accelerated. For example, the automation expected in the Inland Empire in the next 10-15 years will likely be compressed into the next five. On the other hand, automation isn't all its cracked up to be! For example, when one part of the production line breaks down, you could end up with a pile up of product and waste at the bottleneck. On the other hand, will you be the last person typing on a typewriter? What are your automation plans?

The Georgia Tech experts made the case that automation is analogous to the typewriter in essence. The new concept is autonomous so that machines and vehicles can operate independently of human control or supervision. Could these autonomous vehicles take on roles not previously possible, practical or cost effective? Almost all modes of transportation are candidates for autonomous vehicles. We typically think about trucking convoys, cars, drones and sometimes aircraft but are you also considering the impact of autonomous fork lifts, container ships, high speed trains, cranes, last mile delivery, cargo resupply, and more? With the dramatic rise in e-commerce, autonomous drone resupply could be quite the win.

### What are the Impacts?

Client examples abound. A small aerospace manufacturer automated a critical production process. Prior to automating this process, the area was a constant bottleneck. Work-in-process was stockpiled in front of the work station as high-skilled workers tried to keep up with the incoming flow of material. They ran as much overtime as feasible to try to keep product flowing to the next process step so that they could meet the customers' ship date, but it was a never-ending battle with no end in sight. After automating the manufacturing process, the high-skilled resources set up the machines to run throughout the night autonomously. Suddenly, our client was running a three shift operation with the same resources, and customers

didn't experience delays. There was a bit of upfront investment in machinery and equipment as well as setup and education; however, it paid back almost immediately with increased output and sales.

From a logistics point-of-view, WMS systems are gaining traction in the current environment. there are countless options for automation as well as autonomous capabilities within the warehouse. For example, clients have installed conveyor systems which connect directly to the WMS systems and shipping systems which connects to ERP systems to manage order fulfillment processes. With the rise in e-commerce (and the number of small packages and associated labor requirements), automation can be even more relevant to the bottom line. In fact, there are several options to replace pickers with automated processes. The future will look to automation and autonomy. Will a drone resupply trucks that delivering e-commerce orders?

### What Should We Do?

Get up to speed on the possibilities and potential of automation as well as autonomous machinery and vehicles. As you hear about additional examples, think through the concepts, look for additional applications, and brainstorm with colleagues on how these concepts could help your company and/or industry. The best ideas come from those who are willing to voice their ideas, test them under controlled conditions and move forward no matter the obstacles. Create this type of environment at your company, and soon suggestions for automation and autonomous processes will rise to the surface.

We discuss these types of strategies in our [eBook](#) on Future-Proofing Manufacturing & Supply Chain Post COVID-19. Additionally, follow the [IEEP](#), [APICS Inland Empire](#) and [LMA Consulting](#) as we communicate progress on the consortium for logistics and advanced manufacturing success Check out our articles and webinars, and [contact us](#) if you'd like to brainstorm these concepts further.

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

### [Drones are More Than a Pipe Dream](#)

### [Predictions Document](#)

Check out our 2020 predictions document [here](#). More than just the coronavirus:

The image displays three quote cards arranged horizontally. Each card features a quote, a name, and a title. The first card is by Leigh Boghousian, the second by Fran Inman, and the third by Craig Young. Each card has a green header and a light green footer with a stylized arrow graphic.

Quote	Name	Title
"Automation will no longer be just for processes. Increased focus on automated analytics will drive efficiency and productivity and change the role of the Supply Chain in 2020 and beyond."	Leigh Boghousian	IEEP Supply Chain / Green Dot Corporation
"These are different times to say the least.....It is the externalities that I worry about."	Fran Inman	Senior Vice President / Magistro Realty, Co.
"Specialization and thinking through the tradeoffs between automation and flexibility will be the key to drive success."	Craig Young	Senior Director of Operations - Nelson, LLC

### What My Dry Cleaner Said

I cleaned out a section of the house on the weekend and took a group of pre-COVID clothes to the dry cleaner. When I dropped them off, she commented, "Wow! You have pants. We have only been receiving shirts." I didn't have the heart to tell her these were pre-COVID. I let her think I was special.

## The Future of Technology

Technology is a tricky topic. On one hand, almost everyone has put technology and ERP implementations on hold due to concerns about COVID impacts and to conserve cash. On the other hand, it is the best time to gain employees' attention and focus to upgrade technology to scale the business, create a superior customer experience and deliver bottom line results.

### Kellogg or Post?

As I said in my eBook, [Future-Proofing Manufacturing & Supply Chain Post COVID-19](#), the Kellogg vs. Post story from the Great Depression provides an excellent example to ponder. In the 1920's, Kellogg and Post dominated the market for cereal which was still a relatively new and untapped market. Post reigned in expenses and Kellogg doubled its ad budget and pushed its new cereal. Even as the economy hit bottom, Kellogg's profits rose 30% and they become the dominant player. Do you want to be Kellogg or Post? The morale to the story is NOT about dollars invested. It is about the opportunities of investing resources (which can be simply in the form of employees' focus) in future success.



### Which Technologies Provide Immediate and Long-Term Value?

Of course, the answer depends on your industry, company, current infrastructure, your customers' evolving needs, your suppliers' evolving needs and more. Why not perform a rapid assessment of what makes the most sense for your business and take one important step forward? As I said in my [eBook](#), Newton's Law is relevant. Objects in motion stay in motion whereas objects at rest will stay at rest. You must take steps forward, no matter how small. Let's highlight a few of the more likely technologies to provide immediate value and long-term value:

1. **Further utilize & expand your ERP system:** No one uses 80% of their system; however, most organizations utilize only 20%. Find that next 1% that will yield a significant benefit to your customers or bottom line. Clients are gaining significant value from this simple step.
2. **B2B customer portal/ B2C e-commerce:** No doubt about it. The ONLY growth area across the board is e-commerce. In addition, what could be more important than visibility of orders for your B2B customers? Delays will result in lost opportunity!
3. **Business Intelligence (BI):** We are overloaded with data. The issue isn't having data, it is making meaningful decisions and formulating plans based on the interpretation of data. [BI](#) will bring meaning to your data that translates into customer and profit opportunities.
4. **Artificial intelligence (AI) & Human Learning:** In today's environment, predictive capabilities produce VASTLY greater results than simply analysis and static plans. Demand planning/ forecasting, predictive maintenance, cash flow forecasting, and the automation of tasks are enhanced with AI.
5. **CRM:** There has never been a time when understanding, staying in touch with and being on top of evolving customer needs has been more important.
6. **Digital Twins:** virtual replicas of physical devices that technology gurus can use to run simulations before actual devices are built and deployed. Read a [fascinating article](#) about the applications in logistics.
7. **Systems to gain efficiencies:** WMS (warehouse management), TMS (transportation management), rate shopping, MPS (master production scheduling)/ MRP (material requirements planning) / Inventory planning, replenishment including VMI (vendor managed inventory) and more.
8. **3D Printing/ Additive manufacturing** - if you can produce a customized product on demand close to customers, you win in today's Amazonian environment. Either way, it speeds up R&D.

Read our eBook, [Future-Proofing Manufacturing & Supply Chain Post COVID-19](#) to read more about technology as it relates to successfully emerging and thriving post-COVID-19. Explore these concepts further as you start thinking through your technology roadmap.

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

[The Rise of E-Commerce & WMS Popularity During the Pandemic](#)

Profit through People

**People are on the Move**

### **Do You Know If Your Best People are Looking for a New Job?**

You better believe it! There is a trend across clients and colleagues that the best people are on the move! COVID has disrupted the landscape. Whenever multiple clients experience similar situations, we take note. There is no doubt that COVID has spurred smart clients to hire top talent and top talent to look for new opportunities. In the last few weeks alone, several clients and colleagues have lost valued talent.



### **Why is Talent Leaving?**

From what we've observed, there are three key reasons.

1. **COVID inspired reevaluation of life and career** - COVID has made people rethink their life. If life is short, are we doing what we want or are we simply going through the motions? This is a tricky one to prevent as they are leaving for the greener pastures of retirement, new industries, 180 degree changes in job functionality and more.
2. **Evolving conditions associated with COVID & the likely future** - if virtual is here to stay (at least partially), it changes everything. Commutes are less relevant if we only go into the office 1 or 2 days a week - or month in some cases. Why not move to the virtual dream job?
3. **Frustration of current conditions:** Interestingly, #1 and 2 are entirely new conditions from COVID whereas #3 has long been an issue. People leave people; not companies. People also leave frustrating circumstances where they don't think they'll have an impact on the future. COVID has inspired less patience in top talent.

### **What Can You Do?**

Talk to your people. It has never been more important. Do NOT postpone a quarterly performance check-in conversation for an urgent Board request. If you aren't talking with your people, they will start talking to your other potential managers who appreciate their talents.

Create a vision for the future, and make sure each employee knows how he/she fits into that future. Be excited about the opportunities and involve your team in creating that future.

Provide resources, education and training, mentoring, and opportunities for advancement. If you don't, you will be searching for replacements. Tailor it to each person and his/her desired career path.

**The Bottom Line:** Keeping your top talent will no longer be easy. Put immediate focus on this critical topic.

Listen to our video on [top talent](#) and read our eBook, [Future-Proofing Manufacturing & Supply Chain Post COVID-19](#) to gain additional insights on talent, leadership, HR and more. Please send your feedback, stories and ideas. We believe manufacturers have a unique opportunity for growth and success if they innovate and

focus on the opportunities during COVID-19. To achieve this potential, you have to start by keeping your star performers.

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Your People During the Coronavirus Pandemic](#)



## Connections

### THIS MONTH'S REQUESTS:

- My nephew is a full stack developer who has completed an intensive bootcamp and two client projects in SQL server and .NET. He also has experience and completed an intensive training course in Javascript node previously and is now looking for an entry level job in coding. Contact [Ryan Felter](#) with introductions and opportunities.
- A LMA Associate colleague is searching for a new opportunity in supply chain/ finance in Arizona. He has experience with Honeywell purchasing, accounting and program management. Please contact Sean Johnson directly.
- A client in Ontario has an opening for a Supply Chain Manager. The ideal fit will have purchasing, planning, inventory and warehousing experience. Please contact me with referrals.
- An Ontario client in the food industry is looking for a Director of Supply Chain (encompassing purchasing, planning, customer service, warehousing, SIOP) and a purchasing resource with a specialty in packaging. Please contact me with referrals.

Do you know a top notch IP, labor law or immigration attorney in the Inland Empire or surrounding area? My [ProVisors](#) group has an opening for these professions, and we have lots of referrals for these professions on a regular basis. Please introduce [me](#).

**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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