



February 2015 - Issue #108

## Welcome from Lisa

Wow! Following January's blizzard of activity, February has been a whirlwind of exciting events:

- It was determined that my dad is too mobile for at-home exercises (which is great news), and so we'll see if he is good enough for exercises at the nearby therapy center.
- I was thrilled to have been interviewed on the California's CEO's Manufacturer's Corner about supply chain management. I'd love to hear your thoughts and questions.
- I was a panelist at the Manufacturers Summit on channel disruption (related to the Amazon effect).
- I was a panelist at the APICS-SFV Gap discussion. Here's a YouTube video of our conversation.
- Taught my 2nd APICS CSCP (Certified Supply Chain Professional) class - we have a great group of students and interesting discussions.
- We held an amazing APICS West Coast student case competition - one of the APICS Inland Empire sponsored teams, Cal Poly Pomona, won the undergraduate division (they are pictured below).



After seeing 22 undergraduate and graduate teams compete, I'm excited about the future of manufacturing and distribution. Speaking of which, do NOT miss the APICS-IE's executive panel & networking symposium on May 2nd at Eagle Glen in Corona. [Sign up](#) now.

### **IN THE NEWS**

Please check out my latest speeches, articles & quotes:

- Featured in the **Association for Manufacturing Excellence's (AME) Target magazine** in an article, "New Tools for Sizing Up the Skills Gap".
- Quoted in *Streamline Edge's* article, "Smart Collaboration Tools".
- Published "How to Revitalize Projects to Ensure Success" in *Project Times*, and my article "Increasing Cash Flow through Supply Chain Improvements" was re-published by *Illinois Growth Advisors*.

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

## How to Spot Opportunities

One of the keys to successful growth is learning to spot opportunities - and leveraging them. While working with clients of all shapes and sizes, I find that opportunities are all around us; however, we frequently miss them. Developing an eye for spotting opportunities can take a bit of practice.



Following a few proven methods can give you better odds for success: 1) Look for trends. 2) Watch metrics. 3) Be aware of your industry and surroundings.

Start by watching for trends. I find that a significant portion of my success comes from identifying trends others miss. Keep your eyes open for deviations from the norm. For example, if your customer typically calls for overnight shipments at a certain time of the month because their demand changes, ask your customer about it. They might not have realized that it seems to happen on the 3rd week of the month every time. They might be able to resolve the issue once they know about the timing. Undoubtedly, your customer would value that information! Or, perhaps they cannot resolve the issue but they could place their order sooner to minimize shipping charges. Either way, you will be valued.

Watch out especially for trends with your customers and suppliers. If you see a trend with a customer, ask about it. It might result in an opportunity. Customers want to do business with those who pay attention and demonstrate that they value the relationship. For example, I worked with a client that noticed a blip in demand. He mentioned it to his customer, and his customer was really appreciative because he forgot to place orders. Goodwill can go a long way!

Next, watch metrics. Start by identifying your key metrics. Which tell you whether you are moving in the right direction? Which are indicative of problems or opportunities? Don't become overwhelmed with "too many" metrics. Select only those which impact your strategy and profit drivers. Measure them daily, weekly, and monthly. For example, if cash flow is critical to your growing business, measuring inventory levels would likely be an important metric. If you saw inventory increasing on a particular product line, you could follow up on the cause immediately. If you weren't tracking metrics by product line, it could take weeks, if not months, for you to notice - too late to address successfully.

Third, be aware of your industry and surroundings. What is happening in your industry? Who is leading the pack? What new products have they released? Are you getting alerts for your main competitors and for industry data? In today's internet connected world, it is easier than ever to stay informed. Set up data feeds from relevant news sources. Attend industry conferences. Get to know industry experts. Read trade publications and join relevant Linked In groups. It is also worthwhile to keep up on the latest economic and relevant world politics. For example, when I was in the absorbent products industry, my Director of Purchasing kept track of an amazing amount of information about oil and gas prices and factors and events affecting them because he knew that oil and gas prices directly affected our raw material costs. Because he was informed, he kept prices low while maintaining strong supplier relationships, and he was able to better leverage opportunities as they arose.

Lastly, it does no good whatsoever to solely identify opportunities. You must be willing to ACT. Once you identify a valid opportunity, put together a plan of action and implement. It is easy to let them pass you by. Not all opportunities last long, and so you must be prepared to make decisions. The reason you are tracking information on a frequent basis is so that you do not need to make decisions in a vacuum. Thus, do not delay when the opportunity stares you in the face.

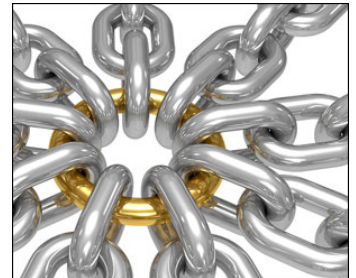
I've seen countless clients miss vast opportunities because the people who saw them weren't empowered or the leaders didn't see them. Set yourself up for success by ensuring you'll be able to see opportunities, and encourage your team to remain vigilant in keeping an eye out as well.

**Did you like this article?** [Continue reading on this topic:](#)  
[How to Spot Trends](#)

### The Strongest Link in Your Supply Chain Cycle Counting by ABC

Since I've been working with a client on a cycle counting program, and it was one of the topics I taught in a recent APICS CSCP (Certified Supply Chain Professional) course, it reminded me of its significance to success.

The point of cycle counting is to maintain inventory accuracy on a continual basis. Inventory accuracy is a foundational element to manufacturing and distribution success. Cycle counting by ABC means you'll count your high volume, more critical parts (A) more often than your low volume, less critical parts (B & C). Not only will your inventory be more accurate on what is most critical to your business but you'll also better understand root causes to maintaining critical part accuracy.



If you need to make rapid improvement in inventory accuracy, focus solely on A's. You'll maintain high levels of accuracy for the top 80% of your sales volume. You'll also have more time to focus on root cause analysis because the top 80% is typically only 20% of your items. Also, by resolving root causes to A item inaccuracy, I've found that B and C items improve dramatically as well because the same causes persist across the board. For example, I've worked with multiple clients to help them go from 50-60% accuracy (or unknown, low levels of accuracy) to the high 90%'s using these strategies. Suddenly, these clients were able to find what they need when they need it and didn't have to carry excess inventory to account for their inaccuracy.

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

### The Systems Pragmatist Transaction Criticality

Few executives think much about transaction criticality. Transactions certainly aren't strategic; however, I have seen numerous clients growth and profit plans negatively affected by the lack of transaction rigor. Thus it should be on your list of fundamentals for review.

There are only two issues that occur with transactions: 1) Accuracy. 2) Timing. It would seem simple; however, it is not an uncommon struggle. The reason is that although limited in terms of types of issues, transactions are widespread. Typically there are transactions affecting almost all functions of an organization. Typical ones include the following: purchase orders, receipts, production orders (work orders), production entry, inventory movements, shipments, transfers, inventory adjustments, invoices, etc.



I've found the secret to success with transactions starts with communicating the value of transactions. Once an employee understands that the accuracy and timing of the transactions he/she performs can affect customer satisfaction, efficiency and even margins, he is more focused. The other common cause of transaction issues is that the people performing the transactions don't fully understand the process/ steps in performing the transaction. I rarely find people who know how to back out mistakes correctly. Checking your transactions can be invaluable. Typos and mistakes are caught early on. These are easy fixes; however, they require focus and attention by leaders.

**Did you like this article?** [Continue reading on this topic:](#)  
[\*The Foundation of Business Success: Data Integrity\*](#)

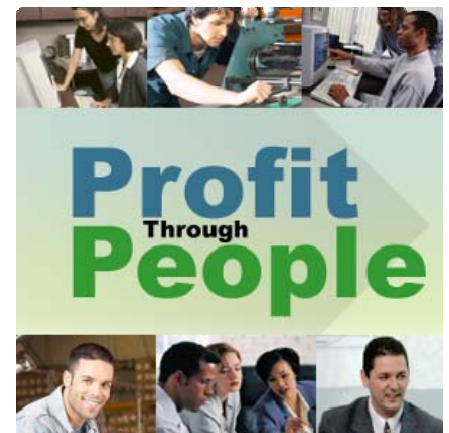
## Profit through People The Value of Feedback

Feedback can be invaluable; however, it can also be the opposite. As my HR mentor used to say, do not react to all feedback. Consider who is providing the feedback. Sometimes, people mean well and provide feedback; however, it is not appropriate or accurate. Sometimes, people are jealous, and it taints the feedback. On the other hand, feedback can often times provide immense value from the right people and in the right circumstances.

Be open to feedback. Request it from those you trust will provide honest (at least from their perspective) and value-added information. For example, I've always encouraged feedback as it can accelerate your progress. Don't let it get you down. Instead, consider it a gift. If people didn't care, they wouldn't tell you. And, you know which feedback to ignore from those who want to hurt you. Listening to feedback also lets people know that you value their input. Don't overlook the importance of feedback!

In addition, if you have people reporting to you, provide feedback. Do NOT wait until performance reviews. Provide feedback continually - both positive and constructive. Once people realize you are interested in their success, they will listen and value your feedback. Be specific with positive feedback. How else will the recipient know what to repeat and build upon? Be clear with ideas for improvement and provide opportunities to try them out. Even if you don't have people reporting to you, provide feedback. Make sure you approach them in a good way; however, make time to provide them with thought-out value.

**Did you like this article?** [Continue reading on this topic:](#)  
[\*The 3 C's to Leadership Success\*](#)



## Connections

Connections and relationships are the 80/20 of success!

### THIS MONTH'S REQUESTS:

- My APICS Inland Empire Chapter is hosting our Spring Executive Panel & Networking Symposium on "Innovation: A Must for Manufacturing and Distribution Success" on May 2nd. **Reserve your seat** now! Also, if you have ideas for great panelists, please contact us with ideas.



- 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.
- An excellent Supply Chain Manager with expertise in inventory management, systems, business processes, and project management with a specialty in aerospace in the Wichita area is looking for her next career opportunity. Please contact [her](#) with referrals and ideas.
- One of my colleagues is looking for a consultant to implement Accounting, Inventory and ERP Software, plus other productivity and reporting technology. Position requires minimum of three years experience with software implementation/training projects involving inventory transactions. The ideal candidate will have solid understanding of modern office technology and basic understanding of bookkeeping debits and credits. Hands-on experience with ERP software from Sage, Microsoft or QuickBooks add-ons for inventory management a plus. Open to discussion of full-time or part-time. If interested, please email resume or equivalent summary of experience to Bob Michlin, [bmichlin@mbsg.net](mailto:bmichlin@mbsg.net). Emails only please

**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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