

Lisa Anderson's Profit Through People® Newsletter



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Welcome from Lisa

Lisa's Note

It has been a whirlwind lately. I'm reminded why I maintain my ERP expertise so that I can provide even greater value in every project (as it relates to thinking through the best design to increase the value of any business) yet I'm also reminded why I do not focus solely on ERP as I'd be likely to go insane! Luckily, it is complimented with some SIOp (sales, inventory, operations planning) and strategy related projects to round out my days.



I am VERY excited about my new [LMA-i series](#), "[Future-Proofing Manufacturing and Supply Chain](#)"! We live in an era of volatility, and so it is wise to future-proof your business regardless; however, with all the conversation about the slowing of manufacturing, international conflicts, trade issues, the risks and opportunities of technology and more, it is prudent to be prepared no matter what happens next. Are you prepared? I will be focusing on video interviews and articles and posting them on my [Future-Proofing webpage](#) and so please stay tuned. I'll also be publishing my 2020 predictions document soon, which will provide trends, predictions and priorities to keep in mind in future-proofing your business.

On the personal side, I enjoyed spending a week in AZ over the holidays seeing my family, and it was nice to have a slow week for New Year's with movies and time with friends. However, since then, it has been non-stop! I do enjoy saving money in January with the bonus gift cards I get from my favorite restaurants. With that said, a few big expenses have popped up like an upgrade to the electricity systems in the house and so I think my savings joy is definitely the underdog by 1000 to 1 but I'll take it anyway.

IN THE NEWS

Check out my latest speeches, articles & quotes:

- Quoted about "[How to tackle a supply chain transformation](#)" in TechTarget's SearchERP.
- Quoted about "[When and Where to Move a Distribution Center](#)" in *ACHR News*.
- My [press release](#) about future-proofing the manufacturing supply chain was picked up and included in [Business Insights](#) and [InlandEmpire.US](#).
- My press release on the importance of the customer experience was published by [ExpertClick](#).
- Quoted in a SAC press release, "[Focusing on Your Best Employees is an ART Worth Developing](#)".
- Featured in the ProVisors *The Accelerator Newsletter* about [my RateLinX recognition of being named a Top 15 Supply Chain & Logistics Expert](#)

Here's to a fabulous 2020!

Lisa

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

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

Eagle Eye Future-Proofing Your Skills Gap

Since talent has become a strategic topic for any executive who wishes to thrive in 2020 and beyond, it should top of mind for every manufacturing and distribution business owner or executive. Have you put time aside to think about this critical topic with your top team? If not, stop now and do it!



We have recently re-surveyed manufacturing and distribution executives, hiring managers, and related trusted advisors, and there is unanimous agreement that the skills gap remains. We also talked with business owners and executives from a wide range of manufacturing and distribution industries. Talent is a hot topic for several critical reasons:

1. **Demographics** - as baby boomers retire, it is leaving a gap in experience and expertise. It is a struggle to absorb or replace adequately.
2. **Technology** - with the increase in technology required to run our businesses while providing not only a superior customer experience so that we can grow but also with high levels of profitability and working capital, having talent with the skills to maximize the use of technology is essential. It is also changing the makeup of the talent required.
3. **Skilled trades** - there is a significant gap in the skilled trades such as CNC operators. There hasn't been enough focus on the high school and community college career path into the sector. Those that find a way to bridge this gap have a leg up on the competition.
4. **Leaders** - whether high-tech or low-tech, leaders play a pivotal role in performance. It is FAR too often we see executives trade down to save money instead of looking at the return on investment over a multi-year period!
5. **Complexity** - we live in a global, complex world with increasing rules and regulations to navigate.

How can we future-proof talent? There are a few priorities we should pursue immediately.

1. **Think ahead:** Don't hire, retain, and train for what is needed today. Instead, focus on where you'll need to be in one year to thrive.
2. **Partner:** If you need skilled trades, technology savvy resources and the like, consider partnerships. Successful executives have set up programs with local community colleges, partnered with trade associations such as the Association for Supply Chain Management ([APICS](#) - listen to the [video](#) below), collaborated with a makerspace academy such as [Vocademy](#), brought in trusted advisors, collaborated with competitors and more.
3. **Evaluate technology:** Evaluate which technology will provide a return on investment and spur profitable growth. There is no need to chase shiny objects but you should think prudently about how to accelerate success.
4. **Mentor:** There is little better than establishing a mentoring process. Although training can be effective, people learn quickest through behavioral change modeling and feedback.
5. **Be attractive:** You are in competition for your talent - both retaining top talent as well as finding new talent.

Proactively addressing this [Skills Gap](#) and [future-proofing](#) your manufacturing operations and extended supply chain is cornerstone to growth plans. Lately, we've seen an increase in interest for an organizational structure and talent assessment

to ensure the organization is shored up to deliver performance plans. If you'd like assistance in evaluating your readiness to meet business objectives, please [contact us](#).

[Did you like this article? Continue reading on this topic: Future-proofing Your Manufacturing Success](#)



The Strongest Link in Your Supply Chain Future-proofing Your Supply Chain

Disruptions abound in supply chain circles. Just consider any of the following recent events: the tariff war, global unrest, the Coronavirus, natural disasters such as the volcano in the Philippines, the Hong Kong protests and more. We have never had a client that could claim that 100% of the extended supply chain (from suppliers' suppliers to customers' customers) was inside the U.S. Thus, we have to be prepared to navigate these types of disruptions and the related impacts.



Disruptions certainly go beyond your physical supply chain. What about your human capital, technologies (accompanied with processes) and strategies? Refer to our article on future-proofing your skills gap and assess which risks might be on the horizon in your industry. When it comes to technologies, there is no doubt that emerging technologies are gaining steam and are starting to transform supply chains. Just consider the application of collaborative robots, automation, RPA (robotic process automation), artificial intelligence, IoT, blockchain, and predictive analytics to name a few. Big name companies are dropping big dollars into these technologies. When thinking about strategy, remember strategy is no longer a multi-year exercise. We must be thinking in terms of strategic sprints. Who knows what will happen beyond a year out!

Several high-level categories should be assessed as you think about your supply chain:

1. **Sourcing** - are you sourcing from China? Is this a viable path forward to source 100% from China? There are increased risk factors to consider. Listen to an interview I conducted with John Tulac, international business attorney, on [future-proofing and doing business with China](#). It is time to reevaluate your supply chain footprint.
2. **Logistics** - there are significant disruptors transforming this industry, ranging from e-commerce and the the Omni-channel to robotics, additive manufacturing and the digitization of the supply chain. If you aren't incorporating these impacts in future-proofing your supply chain, you will be left in the dust.

These are concepts of focus for the consortium for logistics success in the Inland Empire to enable companies to stay informed and keep up with the fast pace of change.

3. **Manufacturing** - Industry 4.0 is transforming manufacturing and changing the landscape. It will be a pivotal year that separates the winners vs the losers as advances are made. See what the [National Association of Manufacturers' Leadership Council](#) sees as critical issues
4. **Demand & Supply** - there is no doubt, there is a keen interest by business owners, executives and private equity leaders on creating predictable demand and forecasting sales. The more we understand our demand plan, the better our operational performance, supplier performance and customer performance. Read about [SIOP](#) (sales, inventory, operations planning) and how it can help future-proof this area.
5. **Inventory** - as the disruptions abound and executives fear a slow-down, the proactive management of inventory and advanced collaborative programs are gaining in relevance. Pick up some tips and strategies in our recent article "[Inventory Management as Fashionable as Automated Intelligence for Distributors](#)" for ACHR News.
6. **Metrics & Predictive analytics** - keeping a pulse on performance should remain a top priority while forecasting what will be needed.

Getting ahead of the curve might be the only avenue to success. Consider creating a [resilient supply chain](#) and [future-proofing](#) your supply chain. Stay tuned and read more about it, and if you are interested in discussing a supply chain assessment, please [contact us](#).

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

Have You Future-Proofed Manufacturing & Supply Chain?

Have you future-proofed your manufacturing operations and extended supply chain? In today's disruption-intensive, unpredictable business environment, you should be prepared to navigate boom and bust!

[Check out our new video & articles series](#)



Client Question

If we struggle with process disciplines and performing timely, accurate transactions, should we pursue barcoding? This typically arises with every ERP implementation, and our answer is generally that we should crawl before we walk before we run. In fact, I am known for this comment at one client which I think we can chalk up to a "good" and "bad" thing! The key question is, "Is it always true that we should hold off?"

The Answer

Well, we certainly have seen unfortunate circumstances resulting from clients jumping into action to barcode before they are prepared. Unfortunately, well intentioned employees forget to scan or get scan happy, creating worse disruption than existed before scanning. Clearly, that isn't good. In fact, one client that sped down this road too quickly had to navigate chaos with extra resources and cost because of just this circumstance.



Thus, as usual, the answer is "it depends". Recently, we have seen good reasons to consider starting near-term down the barcoding path, even when process disciplines aren't fully in place. Starting by replacing key strokes with scanning can be a simple way to simple speed up slow keying and minimize errors. Now that could be quite the success story and worth starting early. With that said, it is always good to ensure success and take a slower path to full integration with your ERP system and related processes prior to strong process disciplines. Just make sure to work with experts to avoid the pitfalls and gain the advantages.

Food For Thought

Are you thinking about barcoding because it sounds progressive, interesting and your people have asked for it? Or are you thinking about barcoding because you have found a business benefit that outweighs the risks and costs? Make sure you are jumping on the bandwagon for the right reasons, and you will be quite successful.

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[Data, Data, Data](#)

In thinking about future-proofing your people, it makes sense to start with your customers. Have you thought about future-proofing your customers? The statistics are staggering. According to [Outbound Engine](#), acquiring a new customer can cost five times more than retaining an existing customer. We wouldn't be surprised if the actual cost is far greater if direct and indirect costs are combined. It certainly should give us pause. How do we future-proof our customers?



One way is to focus on the [Amazon Effect](#) and providing lightning speed delivery and tirelessly differentiated service. There is no doubt customers expect more. The bar gets higher with each passing day. Thus, we must be ahead of our customers to take a proactive approach to providing a superior customer experience while being cognizant of profitability and working capital.

How will you know what your customers see as differentiated service? Start by listening. Observe your customers and see what might provide value. Ask questions and tailor your solutions to be special for key customers. Find ways to provide these differentiated services while proactively managing the process efficiently and effectively from the internal point-of-view.

To accomplish this feat, it is wise to keep in mind that you are only as good as your #1 asset, your people. We have yet to meet a client with unhappy employees and happy customers. Start by getting your house in order. What do your employees need to be successful? It is more than a training course or occasional pat on the back. Do they know they are making a difference? Are they empowered within reasonable guidelines? Do they know leaders value performance and are willing to address the tough topics?

Investing in employees is the best way to [future-proof your manufacturing and supply chain](#). Expand your thinking on people to your trusted advisors, customers, suppliers and other business partners. Are you taking the time to ensure a prepared yet agile end-to-end supply chain? Remember, the people within the end-to-end supply chain count in providing an exceptional customer experience! If you'd like an assessment of where you should invest (time, resources, money) to deliver lightning speed delivery and tirelessly differentiated service, [contact us](#). There are also plenty of free articles and resources on our [website](#). Let us know your thoughts and questions.

[Did you like this article? Continue reading on this topic: The Amazon Effect Won't Die](#)

Connections

THIS MONTH'S REQUESTS:

- Do you have connections to organizations in Southern California that might have a need for an intern with Javascript/node coding experience? Please [contact me](#).

- Do you know a top notch IP, family law or litigation attorney in the Inland Empire or surrounding area? And/ or how about a speaking coach? 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](#).
- I had a production and warehouse supervisor referred by a quality source. If you are interested in an introduction, please [contact me](#).
- Do you know a consultant interested in taking their business to the next level? Please refer them to the [Society for the Advancement of Consulting](#).
- Do you know a manufacturing or export executive in the Inland Empire or Southern CA area who would be interested in participating and advising on a strategic initiative for manufacturers and exporters, backed by the [Brookings study](#) and the [Inland Empire Economic Partnership](#).

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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