



June 2013 - Issue #88

Welcome from Lisa

In conjunction with my logo and color scheme update new logo and my website redesign (which will be unveiled shortly), I'm THRILLED to announce my new and updated value proposition and service lines. With your help, I've been able to fine tune my service offerings and improve the communication of what I provide for clients:

Elevating Business Performance

Eagle Eye Strategic Focus - synthesizing strategic priorities & partnering to "deliver results" (Thanks to Nancy for putting to words and metaphor what I've struggled to describe for years!)

The Strongest Link in your Supply Chain - accelerating cash flow while reducing lead times. (Thanks to Alan & Vicki!)

The Systems Pragmatist - optimizing underutilized assets to improve systems, processes & margins. (Thanks to Marcie & Paul for spurring this category!)

Profit through People - dramatically increasing individual and organizational performance and ROI (Thanks to countless subscribers for your feedback.)

I'd be remiss if I didn't also thank several clients & Linda, Liz and Julie for input on my value proposition - it takes a TEAM. You'll notice that I've added a few new sections to my newsletter too. This month's feature article is "What is an Eagle Eye Strategic Focus?", and it is followed by tips, examples and case studies. I'll continue to focus the content on each service line rotating the feature article each month.

Eagle Eye Strategic Focus

What is an Eagle Eye Strategic Focus?

In my experience, I've found that watching trends is vital to success - if you can pick up on a key trends and get better positioned than your competition and/or jump on-board with strategic innovations early, you'll be guaranteed success. In today's new normal business environment where sales are no longer easy, talent is in short supply and innovations are ever-more critical to profitable growth, you must be on the leading edge. Thus, having an eagle eye is paramount to success.



For many years, I under-appreciated my eagle eye skill as it hasn't always been popular - after all, who cares about resolving "unseen" roadblocks to achieving the strategy? Why would you want to create conflict among teams by addressing issues which haven't yet occurred? However, it turns out that this sometimes cursed skill can provide significant leverage in ensuring success in the new normal. What are the key ingredients of having an eagle eye? 1) Understand strategy. 2) Consider profit drivers. 3) Think of design. 4) Watch for trends.

1. Understand strategy: Interestingly, it starts with simplicity. What is the foundation of the business? One way to think of the critical importance of the strategic foundation of eagle eye is to consider if you didn't have it. No matter how great an idea or project seems to be, it will be useless if you are speeding along in the wrong direction. Thus, understanding the strategy and its core components is essential to rapidly selecting just the right priorities.

2. Consider profit drivers: In order to rapidly assess a situation, a set of priorities or an opportunity, it is essential to evaluate with the key profit drivers in mind. For example, if the core product line has narrow margins with high volume, your operational priorities would likely be quite different than a business focused on luxury product lines. In this case, understanding your break-even point and related volumes will be pivotal to pricing decisions.

In another example, if material cost is a significant proportion of cost, outsourcing will have a much different impact than if labor cost is the driver. In the first case, it's likely that outsourcing of a peripheral product line could make sense but shouldn't be a focal point (unless failure is your goal!); however, in the second case, it could be a #1 priority.

3. Think of design: Design can also be an underappreciated skill. What is the design of your business model? Your ERP system? Your business processes? Your products? Services? Etc.? Why is this skill valuable to a non-engineer or non-architect?

In my experience across many industries and globally, if you understand the basics of design and can identify where you are in the design, you'll be able to remain agile and flexible in accommodating for business challenges and changes while keeping the razor-like focus on the required business outcomes. What could be more important?

4. Watch for trends: Volatility is the new norm. Thus, we must not only become adept at rapidly evolving to ever-changing challenges, but we must also be able to spot key trends ahead of the competition. Train your eyes to watch for trends. Start by taking a step back to see around you. Are your customers ordering differently? Are your suppliers delivering slower? Faster? Should you adjust plans? Being aware of what trends are important to your business is a key component of having an eagle eye.

Developing your eagle eye abilities is paramount to success in the new normal business environment. What will you do to ensure you are not passed by?

The Strongest Link in Your Supply Chain Transportation Trends

I've recently spoken and participated with a few transportation industry events and was reminded of its importance to the supply chain, and so I thought a recap of trends was in order:

1. **The importance of systems** - As supply chains become more complex, leveraging systems becomes more important to optimizing supply chain networks and minimizing transportation costs.
2. **Consider supply chain disruptions** - As supply chain disruptions become commonplace (natural disasters, weather, strikes, etc.), it has become essential to build flexibility and agility into supply chains.
3. **Alternative fuels** - Certainly fuel cost is significant in transportation; thus, selecting the optimal technology is key to success. UPS is expanding its liquefied natural gas vehicle strategy.
4. **Logistics trending UP** - The US Logistics market grew 6% in 2012, led by growth in domestic transportation management according to a study by Armstrong & Associates Inc.
5. **Panama Canal questions** - The Panama Canal expansion (adding a 3rd lane) is scheduled to be completed in 2015 - will it affect the amount of freight going directly to the East Coast? There is much disagreement on this topic.

The Systems Pragmatist 5 ERP Selection Pitfalls

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I get "too many" calls to help resolve problems associated with system upgrades and/or new system implementations. How can some of these be avoided during the selection process?

The good salesman - ERP software suppliers have to be some of the best salespeople I've seen. Even when you are careful, they'll likely focus more on the bells & whistles of their system than is desirable.

Standard functionality - Standard functionality is the downfall of ERP selection projects. In my experience, 20% of the time should be spent on standard functionality as almost every core supplier will have it. Reverse the order and spend 80% on unique functionality.

Lopsided team - Although there will be some functions more interested than others in the selection project, if they decided for everyone, you shouldn't be surprised if you end up with a great system in that particular area with the rest left to luck.
Immediate feedback - Although it seems as though it's obvious while sitting in the demo, it becomes amazingly difficult to figure out which feature went with which software a few days later. Talk immediately following the demo.

Focusing solely on functionality - Don't get lost in functionality and forget that the software supplier will be your business partner. Do they conduct themselves as you'd expect for a long-term partner?

Profit through People

It Begins & Ends with Leadership

As my HR mentor used to say, "It begins and ends with leadership". I've found this to be true across the board - my clients provide me with countless examples to prove her correct!

For example, in one client, we struggled for months in making progress as the leader in charge of the affected areas made poor decisions - some even directly un-did prior strategic decisions. It's interesting how impactful leaders are in an organization whether or not people agree with them. In this case, a year of progress was lost within 3 months. Thank goodness, it turned again as a new leader took over.

In another situation, a super team was formed to address a priority project; however, a weak leader was put in charge of the team. The super team managed to make progress in spite of the project leader; however, there was vast frustration and wasted time and energy. I have to admit that I was surprised at how much of an impact the project leader had on the pace of progress vs. the super team.

Lastly, in another client project, we were not only able to get previously disparate groups in the organization to work together but we also got warring divisions to cooperate and communicate on a project - success stemmed from clear expectations of the leader. Focus and communication was able to achieve what had never been done before!

Recommended Reading

[Sales & Operations Planning](#) by Thomas F. Wallace - a great guide on implementing S&OP. I use it as a research tool as I think through different approaches to implementing aspects of process.

Connections

Please see this month's requests:

- An Inland Empire company is looking for a Purchasing Assistant. It's a great opportunity for a strong communicator with organization and follow-up skills to work with a great group of people. Metals/ manufacturing and purchasing experience preferred. Please contact hr@cai3.com.
- An Inland Empire company in the food industry is looking for a Master Scheduler. A 4-yr degree and prior experience required and APICS certification preferred. Please contact lhogan@venturafoods.com.
- My APICS (Association of Operations Management) Inland Empire Chapter is looking for a few exceptional speakers and/or tour opportunities - our goal is to provide jam-packed value, and so we are always looking for ideas. [Email me](#).



- My Ontario ProVisors group of trusted advisors is searching for three types of attorneys - immigration, environmental and employment law. If you know anyone who fits the bill, please refer them to [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.

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