



March 2015 - Issue #109

## Welcome from Lisa

I find it hard to believe it is almost the 2nd quarter of 2015. Where does the time go?

I enjoyed spending time with my clients, family and friends. A few highlights include: seeing some amazing whales while whale watching with friends (first time I've had luck while whale watching; other than in Alaska); spending time with my parents; enjoying my APICS friends and colleagues at an SAP Bootcamp; and I just returned from Disneyland where I spent the day with my cousins and brother.

Speaking of exciting events, please join my APICS-IE Board at our upcoming executive panel and networking symposium on Innovation on May 3rd.



We are very excited to have world renowned experts on innovation ranging from one of Toyota's gurus to the innovative Harvey Mudd to an expert from the CA Transportation Commission. Innovation is a MUST for manufacturing and distribution success. Please sign up early while seats are available.

Please check out my latest speeches, articles & quotes:

- My Manufacturing Corner interview on supply chain management is available on internet TV.
- Quoted in SAC's press release, "Employee Retention Takes on Greater Importance as Economy Brightens".
- Published "Retaining Project Management Top Talent" in *Project Times*, and my article "Increasing Cash Flow through Supply Chain Improvements" was re-published by *Illinois Growth Advisors*.
- Quoted in a Wiley book, Information Technology Project Management by Jack T. Marchewka.

I'm also thrilled to be celebrating my 10th year of LMA Consulting Group in May. I wouldn't be celebrating this milestone without you! Thank you for your contributions, feedback, and ideas.

I hope you and your family have a Happy Easter.

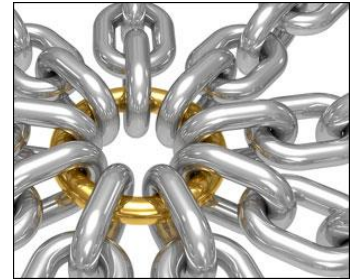
Enjoy!  
Lisa

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.

The Strongest Link in Your Supply Chain  
**Your Customer Comes 1st**

As I thought about an appropriate topic, I was reminded of the importance of starting with your customer. No matter what your company objectives, you must understand your customer.



There are several areas to consider; however, starting with these can never steer you wrong: 1) Determine what is important 2) Prioritize. 3) Translate to a sales forecast.

First and foremost, determine what is important to your customer. Do not fall into the trap of thinking about which features, benefits, services etc. you think are important to your customer. Instead, find out. Ask your customer questions. Find out what he would be willing to pay for. Certainly, if he is willing to pay additional for quick delivery (as an example), it means that fast turnaround is valued. Dig further. Many customers will think everything is important; however, can they leverage the advantage(s) if you provide it to them? Find out more about their capabilities. Are they willing to invest resources? Tailor your products and services to what will provide the largest perceived value to your core customers.

Next, prioritize. You are likely to find out that your key customers have multiple requirements for success. Which are most important? Which are within your capabilities? Which align with your strategy? Do you have resources in place and trained that can help you with the requirements? A simple ABC method can work wonders. Don't think about how easy it will be for you to achieve the requests. It doesn't matter if your customer doesn't truly appreciate them. C's are a great example of this type of wasted effort. Instead, put yourself in your customers' shoes. Pick a select few priorities. Too many is a recipe for disaster. My most successful clients have no more than 3 key "A" priorities / areas of focus at once.

Third, translate what you know into a sales forecast. SIOP processes (sales, inventory, and operations planning) can yield substantial results for you - and your customer. It starts with your key customers' sales forecasts. How frequently will your customers' order? What is the likely order size? What is the volume and/or dollar value you think will occur? How does that compare with last year? Last quarter? Does it make sense? Can you collaborate so that you place your customers' orders for them in a way that achieves a win-win? For example, several of my clients have planned what to send to their key customers with programs called VMI, collaborative ordering, replenishment, etc. The results can be substantial - better service, quicker deliveries, lower inventory levels, better efficiencies, etc. What could be better than having the information to develop your key customers' forecasts for them?

One of the tenets of lean is to start with the customer. The same holds true for SIOP. Undoubtedly, starting with your customer in mind will get you off to a "great" start. Best case, you can deliver significant benefits for your customer at improved margins for your company. Worse case, you'll be starting in a better position with an understanding of what your customer wants. Asking is painless. Pick up the phone. Visit your customer. Ask and listen. A few simple techniques, and your business will be better prepared to delight your customer and deliver bottom line business results.

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[Start with Your Customer](#)

## CRM (Customer Relationship Management)

Keeping with the customer theme, I thought a brief discussion on CRM would be in order. In the last 5 years, I've seen the importance of CRM double, at a minimum. The critical importance of customer service has emerged, and so having tools to aid with this process has become trendy - and helps to grow the business.

To determine what you need in a CRM system, start with your customers. What is important to your customers? Determine the top 3 ways you'd like to leverage a CRM system to help you develop relationships with your customers. I often refer to these as critical success factors - what will "make a difference" to your customer and your business?

Once you know your top 3 critical success factors, dig into the specific functionality that supports these areas. For example, if managing your pipeline is important, you should look for a software that has robust capabilities on tracking prospects, stages of the business, probabilities of success etc. On the other hand, if you want to remember to call your key customer or prospect every month to offer value, advanced pipeline management capabilities can be a deterrent. You just want a software with call management features and reminders. CRM software is becoming more robust, and it is often embedded with upgraded ERP systems. A bit of searching will yield the perfect CRM to support your particular customer requirements.



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## Customer Service Starts with Employees

Have you ever seen a company that provides consistent, exceptional service for its customers that has unhappy employees? I never have!

From my view, it is not possible for longer than a short-term time frame.

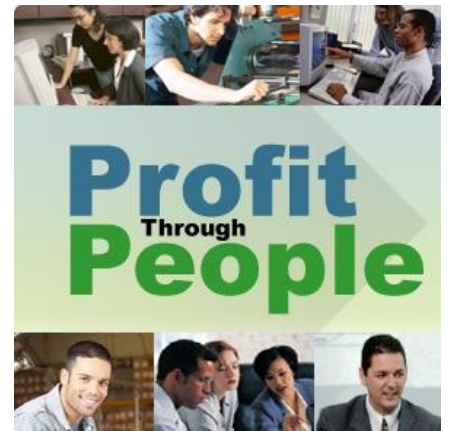
On the other hand, if you empower and engage your employees, you'll find that customer service follows. It is no accident that the Ritz Carlton provides exceptional service. They know it starts with their employees.

If you have a problem at the Ritz, whoever is helping you (from a baggage handler to a maid) will make sure you walk away satisfied - without asking for approval.

The problem is that it isn't easy to create this culture. Empowering and engaging employees means that you must let them try new ideas and fail. You must support them giving away more money than is necessary while they learn the ropes. You must be willing to live with - and support - the choices your employees make.

The key to empowering and engaging employees begins with leadership. I've yet to work with a client that had empowered and engaged employees with a weak leader on top. Yet I've seen the least likely suspects turn into empowered and engaged employees with an exceptional leader on top!

**Did you like this article?** [Continue reading on this topic: Do You Have Engaged Employees?](#)



I find that cross-functional teams can be some of the most valuable teams that generate winning ideas. By taking a diverse team of people with different backgrounds and areas of focus and providing a common goal, ideas arise that never would have occurred with a silo approach. In my estimation, my clients that support cross-functional teams achieve at least 30% better results. Thus, why not consider the same idea with cross-supply chain opportunities?



Start with your customers. Typically there are several customers within a supply chain. At the most basic level, there are internal and external customers. However, outside of your organization, think about your customers' customers? Is there a way you can create a cross-customer team to find ways to achieve customer delight throughout your supply chain?

If your customer sells to the end user, consider customer surveys or polls. If your customer sells through a distributor, involve the distributor. And so on... Then search for opportunities to leverage across your supply chain for win-win-win-win results. Even if you achieve a win-equal-equal-win, it would be worth it.

Your end customer received a win. Wouldn't it be likely that growth would follow? Also, if you collaborate for combined success even though you come out "even", I've found that it gets your cross-supply chain team thinking. A win often arises for you as well from unexpected places.

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[\*\*The Collaboration Platform\*\*](#)

## 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!
- 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.
- I know of a few excellent Supply Chain Leaders who are interested in making a change for the "right" opportunity. If you are interested, please email *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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